

Iran Moves to Break With U.K.

By Craig R. Whitney
New York Times Service

LONDON — Iran and Britain moved closer Tuesday to a break in diplomatic relations, with Iran threatening to sever ties unless the British government withdraws its support in the next week for the author Salman Rushdie and his right to publish "The Satanic Verses."

Prime Minister Margaret Thatcher said nothing in reaction to the step, but British officials said London remained firm in demanding the withdrawal of the Ayatollah Ruhollah Khomeini's death sentence against the Bombay-born British writer, whose family is under British police protection at an undisclosed location.

Britain has recalled all five members of its diplomatic mission to Tehran, while the Iranian representative in London, Mohammed MAZ. Basti, left for home Tuesday, according to the telephone operator at the Iranian mission.

In Moscow, the Foreign Ministry spokesman, Gennadi I. Gerasimov, said the Soviet leadership was "concerned" over the escalating affair and believed it could play a role in bringing about a solution, something British diplomats had asked the Soviets to do by bringing up the issue when Foreign Minister Eduard A. Shevardnadze visited Tehran last weekend.

In Iran, the parliament passed a bill requiring its Foreign Ministry to sever all political links unless the British government made a satisfactory declaration on the affair within seven days. The vote followed a debate over demanding an immediate break in relations or asking for a British apology or disavowal for the insults to Islam found by many Moslems in the book.

"If the British government does not officially declare in a maximum period of one week its opposition to the unprincipled stands against the world of Islam, the Islamic Republic of Iran and the contents of the anti-Islamic book 'The Satanic Verses,' the Foreign Ministry of the Islamic Republic of Iran is obliged to break all bilateral political ties," the bill said, according to a radio report of the Iranian news agency monitored and translated by the BBC.

The Iranian agency said that "nearly all" of the 201 members present in the 270-member Majlis stood, cheered, and praised the Prophet Mohammed in two separate votes, first on severing ties and then on giving Britain a week to revise its stance.

It also quoted the Iranian foreign minister, Ali Akbar Velayati, as saying, "In the future, this will be our stand toward any country which attacks Islam and Islamic sanctities."

Britain's 11 European Community partners recalled their ambassadors, but not their other diplomats in Tehran, for consultations last week in solidarity with the British position. Austria, Finland, Norway, Sweden, Denmark, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and the United Kingdom.

During his five-nation, 11-day tour of the region, which included talks with Foreign Minister Moshe Arens of Israel in Cairo, Mr. Shevardnadze presented Soviet proposals for an international conference to end the Arab-Israeli confrontation and for creating a more stable peace between Iran and Iraq.

The Rushdie affair appeared tailor-made for the posture of mediator that the Kremlin was trying to promote in the region as tensions with Moslem nations over its nine-year military involvement in Afghanistan began to recede.

Britain had requested Mr. Shevardnadze's intervention with Iranian leaders. Mr. Rushdie is a British citizen of Indian origin, and his repudiation of the Iranian threat against him was followed by a diplomatic upsurge involving dozens of nations.

President George Bush condemned the Iranian threat and many Western European countries that had been seeking to improve relations with Iran withdrew their ambassadors.

Soviets Might Help In Rushdie Affair

By John F. Barnes
New York Times Service

MOSCOW — The Soviet Union believes that it might be able to play a useful role in resolving the dispute that has developed over Salman Rushdie's novel "The Satanic Verses," a Soviet Foreign Ministry spokesman said Tuesday.

Gennadi I. Gerasimov, the spokesman for Foreign Minister Eduard A. Shevardnadze, said the furor over the novel had been discussed with Iranian leaders during Mr. Shevardnadze's three-day visit to Iran, which ended Monday.

As a result of those discussions, the Soviet spokesman said, Mr. Shevardnadze will raise the issue in meetings with Western officials, including a session with Secretary of State James A. Baker 3d of the United States next week in Vienna.

"The situation that has emerged around the book by Mr. Rushdie, 'The Satanic Verses,' causes grave concern to the Soviet leadership," Mr. Gerasimov said.

"The Soviet side gained the impression," he said, "that the Iranian government is sincere in seeking a settlement of the situation and believes that the Soviet Union could have a positive role to play."

Mr. Gerasimov said the Rushdie affair had been raised by Mr. Shevardnadze in meetings with President Ali Khamenei and Foreign Minister Ali Akbar Velayati of Iran. But he indicated that the issue had not been discussed in Mr. Shevardnadze's meeting with Ayatollah Ruhollah Khomeini, Iran's

leader, who has called for Mr. Rushdie to be executed.

By involving itself as a potential peacemaker in the Rushdie affair, the Kremlin appeared to be adding another dimension to what already appeared to have been the most ambitious venture for Soviet diplomacy in the Middle East in years.

During his five-nation, 11-day tour of the region, which included talks with Foreign Minister Moshe Arens of Israel in Cairo, Mr. Shevardnadze presented Soviet proposals for an international conference to end the Arab-Israeli confrontation and for creating a more stable peace between Iran and Iraq.

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A Caracas rioter smashes in the roof of a car amid protests on price increases.

50 Killed In Riots in Venezuela

Civil Liberties Are Suspended in Protest on Prices

Compiled by Our Staff From Dispatches
CARACAS — President Carlos Andrés Pérez of Venezuela said Tuesday that his government was suspending civil liberties after two days of rioting in which as many as 50 people were reported to have died.

Hundreds of people were wounded in unrest caused by price increases for gasoline and bus fares, the police said. There were thousands of arrests.

Mr. Pérez said he was suspending constitutional guarantees, including those protecting free association, public demonstrations, and freedom of speech as well as the prohibition against detention without trial.

Despite heavy police and military patrols Tuesday on major streets, including deployment of tanks in some neighborhoods, looters invaded shops and shopping centers in central Caracas. The police fired pellets and tear gas and they chased looters.

In a speech broadcast nationally on radio and television, Mr. Pérez defended the economic measures, which were worked out in accordance with the International Monetary Fund to secure loans of \$1.5 billion.

The government decree authorized the army to impose a curfew, although no hours were established. The Education Ministry ordered school and university classes suspended nationwide.

The president called out army troops at 2 A.M. Tuesday to restore order. But the violence, which began Monday morning, continued during Tuesday after a pause overnight.

Political violence is rare in Venezuela, whose citizens enjoy South America's highest living standard and most stable democracy. But buying power has been eroded since 1986, when the price of oil, the country's main export, declined sharply.

"All police forces are in a state of emergency," a police official said. "Hospitals can no longer cope," he added. "People just keep coming and coming."

Violence was also reported in the towns of Maracaibo, Maracay, Puerto La Cruz, Barcelona, Mérida and San Cristóbal.

Buses in Caracas were not running, forcing thousands of people to walk through streets littered with debris from the looting and bonfires and barricades built by protesters. Caracas has a population of four million.

The Metropolitan Police inspector, Omar Bolívar, said the violence was worse Tuesday than Monday and that in some areas, "rioters are better armed than we are."

"They have rifles, pistols, revolvers, even sub-machine guns out there," he said.

The police said that rioters were responsible for most of the casualties.

In the wealthy San Antonio neighborhood, looters sacked and burned one of the city's largest shopping centers in what was described by a television reporter as "collective madness."

Some of the worst violence occurred in Guaremas, a shantytown about 19 kilometers (12 miles) from the capital, where the disturbances began. People there threw rocks.

(Reuters, AFP) See CARACAS, Page 7

Greenspan Warns Inflation Is Gathering Force in U.S.

Compiled by Our Staff From Dispatches

WASHINGTON — Alan Greenspan, chairman of the Federal Reserve Board, warned Tuesday that inflationary pressures in the U.S. economy were gaining momentum.

"The large increases in the producer finished goods and consumer price indexes in January could be early warnings that the cost-price process is gathering force," Mr. Greenspan said in testimony before the Senate Budget Committee.

The government reported Tuesday further evidence that U.S. inflation is picking up. (Page 13)

Mr. Greenspan told the panel

that the huge U.S. budget deficit must be brought down. He said U.S. interest rates would remain high until legislators do a credible job in cutting the deficit.

Treasury Secretary Nicholas F. Brady said in testimony before the House Budget Committee that he supported the optimistic rate forecasts underlying President George Bush's 1990 budget, despite the rise

Mr. Bush's budget plan relies on an assumption that rates will fall to average 7.4 percent for all of 1989, a prediction many economists say is too optimistic.

The Fed raised its key discount

rate, charged on loans to banking institutions, on Friday to 7 percent from 6.5 percent. The move coincided with a half-point increase, to 11.5 percent, in the prime rate charged by major commercial banks to preferred borrowers.

Mr. Greenspan said last week that he believed inflation was already too high and said the Fed would maintain its policy of combating any overheating in the economy by manipulating money supply and interest rates.

The increase in the discount rate appears to be at odds with the Bush administration's wishes. The White House is worried that any further rises in rates might significantly slow the economic growth it is counting on if Mr. Bush hopes to honor his election pledge to balance the budget without imposing new taxes.

Mr. Brady predicted that interest rates would fall once Congress and the White House agreed on a plan to cut the budget deficit, which he said was the best way to ensure the economy's long-term strength.

Mr. Greenspan said the White House shared the Fed's commitment to fighting higher prices.

(Reuters, AFP)

See CARACAS, Page 7

Bush Presses Struggle For Tower Nomination

Compiled by Our Staff From Dispatches

WASHINGTON — President George Bush started a major effort Tuesday to salvage John G. Tower's nomination as secretary of defense, meeting privately with a dozen important Democrats and wavering Republicans in hopes of persuading them to support the former senator's confirmation.

At a photo session during an afternoon cabinet meeting, Mr. Bush said he did not know whether he could win over senators who have indicated opposition to Mr. Tower, saying only, "I hope so."

But with Mr. Tower sitting on his left in the Cabinet Room, the president said he had not heard anyone "challenge this man's knowledge and his ability."

"He's the best to do the job that needs to be done," Mr. Bush said. "I don't believe that anybody should be pilloried on the basis of unfounded rumor. I've known John Tower a long time, longer than many that are criticizing him out there in various walks of life."

The administration's efforts appeared to have suffered a setback when Senator Larry Pressler, Republican of South Dakota, said he was "very much leaning against" confirmation and urged Mr. Tower to withdraw before a vote.

Mr. Pressler said that a withdrawal by Mr. Tower would be "a favor" to Mr. Bush. He added that he was fearful that Mr. Tower would not be capable of clearing up the Pentagon procurement item if confirmed.

But Mr. Bush's press secretary, Martin Fitzwater, said that there was "no chance" of the president withdrawing the nomination.

With Democrats holding a 55-45 majority in the Senate, Republicans cannot afford any defections from their own ranks if Mr. Bush is to prevail in his first major political showdown as president.

Formal debate on the nomination is scheduled to open Wednesday, and senators are reading a confidential FBI report dealing with allegations of the former Texas senator's drinking problems, womanizing and consulting contracts with military companies.

Mr. Bush invited several Democrats and Republicans to the White House for meetings to discuss the nomination.

George Mitchell of Maine, the leader of the Senate's majority Democrats, who has not announced his position, did not talk

See TOWER, Page 2



Mr. Velayati addressing Iran's parliament. Above him, seated at the microphone, is Hashemi Rafsanjani, the parliament speaker.

Kiosk

Cease-Fire Call In El Salvador

SAN SALVADOR (Reuters) — The Salvadoran armed forces announced a unilateral cease-fire on Tuesday in the country's civil war and called on leftist guerrillas to reciprocate to help peace efforts.

The armed forces press office said that the military would cease offensive actions from midnight on Tuesday until June 1, when President Jose Napoleon Duarte will leave office.



Konrad Lorenz, who founded the modern science of ethology and won a Nobel Prize, died at 85. Page 7.

General News

The U.S. Supreme Court ruled that striking airline workers could be denied job seniority rights. Page 3.

Hundreds of repairs must be made to certain airlines, a court says. Page 2.

Business/Finance

Claude Ribet won the struggle for the kind of Company to which. Page 16.

Special Report

A staggering debt burden is forcing painful choices on the world. Pages 9-11.

Page 7

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Southeast Asia's Surge of Sects

Region's Officials Worry That Fervor Breeds Conflicts

By Michael Richardson
International Herald Tribune

SINGAPORE — A surge of spiritual fervor in Southeast Asia is fracturing long-established religions and creating conditions for conflict, government officials and religious leaders in the region warn.

They say rivalries within and between Islam and Christianity are making it more difficult to maintain a climate of tolerance in Malaysia, the Philippines, Singapore and Indonesia, which are multicultural and multireligious societies.

Underlining the sensitivity of religion, Malaysia and Indonesia have banned Salman Rushdie's novel "The Satanic Verses" on the ground that it insults Islam, Moslems are a majority of the population in both nations.

Diplomats and analysts say the causes of religious ferment in Southeast Asia are complex and vary from country to country. But they agree that the renewed appeal of religion, particularly to young Asians, is often linked to changes in lifestyles and values that have accompanied the region's rapid economic growth and industrialization in the last two decades.

"Many people have embraced religion to cope with, or escape from, the consequences of modern-

ization," a Singapore-based diplomat said Tuesday.

One trend that worries officials in Singapore and Malaysia is that ethnic Chinese are being attracted to increasing numbers to Christianity while Malays adhere to Islam.

A recent survey commissioned by the government of Singapore showed the proportion of Christians in the island-state had risen from 10 percent of the population in 1980 to about 18 percent in 1988.

The survey found that a majority of those becoming Christians were Chinese who regarded their traditional Buddhist, Taoist and Confucian beliefs as "illogical, unrealistic and superstitious." Christianity was seen to be more compatible with modern life.

The trend in Singapore, cautioned Prime Minister Lee Kuan Yew, is "more towards intensifying held exclusive beliefs than towards tolerant co-existence."

He noted that at a time when "Islam is resurgent and thrusting, Christians, especially charismatics, are in a dynamic, evangelizing phase."

Christian sects have proliferated in Singapore, some causing friction by zealously seeking converts.

"The fact is, no religious leadership can be tolerant and passive when its following is being eroded by other religions," Mr. Lee said.

Bonn Stresses Agenda On East-West Policies

By Joseph Fitchett
International Herald Tribune

BONN — Tension between West Germany and its key allies over nuclear weapons modernization is starting to reveal a larger problem, a growing determination by the Bonn government to shape alliance policy on a range of East-West issues, including military questions, the arms control agenda and economic strategy.

This assessment is widely shared among foreign diplomats and West German analysts in Bonn.

Fundamentally, West Germany appears more inclined than most of its allies to believe that Western security can be guaranteed to a larger degree than previously by detente with the Soviet Union and therefore needs to rely less on NATO's military preparedness.

Chancellor Helmut Kohl's government has braced for a challenge on this matter from allied capitals, a U.S. diplomat said.

"Many West Germans sense they are becoming more assertive on behalf of their own East-West policy," the diplomat said, "and they have qualms about it and expect us to start administering strong medicine to stop it."

Beyond a dispute about whether NATO should push through its planned development of new short-range nuclear missiles, policy clashes loom between West Germany and its major allies on a range of arms control issues.

West German leaders are anxious to start East-West talks on removing more nuclear weapons from Europe, a process that Washington is picking up. (Page 7)

See GERMANS, Page 2



JERUSALEM VOTE — An Orthodox Jew voting Tuesday in the municipal elections that were boycotted by Palestinians. Meanwhile, Israeli planes hit Palestinian bases in Lebanon. Page 7.

WORLD BRIEFS

"We want to make sure that everybody is doing what is required at the time it is required," said Clyde Kizer, vice president of engineering and maintenance at the Air Transport Association, the airline trade group based in Washington that sponsored the study. "People who don't want to do the maintenance or can't afford to do it will be

U.S. Troops and South Koreans Clash

Since that accident, several other incidents of outer-hull ruptures in flight have led to increasing concern for many older jets still in service well past the time for which they were designed — about 30

The total cost of all the repairs recommended in the industry study will be several hundred million dollars, perhaps even \$1 billion, and the work will take several years, industry experts say.

Boeing has said the cost of all the repairs recommended will be about \$600,000 per airplane. About 700 older Boeing 727s, 737s and 747s are involved.

The McDonnell Douglas repairs on DC-8s, DC-9s and DC-10s could involve as many as 500 airplanes. A cost per airplane has not been determined, but it could be several hundred thousand dollars.

FAITH:

A Surge in S
(Continued from p. 10)

sociologist, said in Pe-
layasia, said the major or-
Asia must accept "right-
ousness of all religions."

Rbert L.M. Lee, as-
fessor of sociology at a
ty of Malaya in Kuala
explained that in Malay-
non-Muslims make up
of the population, race
are frequently intermar-
All Malays are Muslims
Rising Islamic consci-

and his brother, Tuesday the governor "think long to respond to the

Terry Waite, the Canterbury's envoy held hostage in Lebanon tied to Iran, said, "I move does not help me. I am just hoping we will see Terry difficulties of the have been sorted

A Surge in Sects

(Continued from page 1)

sociologist based in Penang, Malaysia, said the major religious groups in Asia must agree to "fight bigotry" against ethnic rights.

Abdullah Lala, Islamic president of Malaysia's National Conference of Ulama at Kuala Lumpur, explained that in Malaysia, where non-Muslims make up 43 percent of the population, race and religion are frequently intertwined. Neither all Malays are Muslims.

Rising Islamic consciousness in Malaysia since the 1970s has triggered a "mobilization of non-Muslims in the face of perceived threats of Islamic dominance and extremism," President Lee said.

The Muslim majority in the Asian country with a Christian minority, Roman Catholic bishop, a pastoral letter issued Jan. 27, expressed concern "about the flight into our country of fundamentalist groups, preachers, TV programs and the harm they cause to many of our faithful."

The bishops said many fund-

2 Sellers of Rushdie Book Firebombed in California

By Katherine Bishop
New York Times Service

BERKELEY, California — Two bookstore owners whose managers have been outspoken in their commitment to continue selling copies of Salman Rushdie's novel "The Satanic Verses" were damaged by firebombs on Tuesday.

[President George Bush warned on Tuesday he would not tolerate violent protests in the United States. Reuters reported from Washington.]

"[We don't yet know if the bombings are related to the book,]" Mr. Bush said. "But let me be clear: Anyone undertaking acts of intimidation or violence aimed at the author, the publishers or the distributors of 'The Satanic Verses' will be prosecuted to the maximum."

Cody's Books, an independent bookstore near the University of California campus here, and a nearby branch of Waldenbooks, suffered minor fire damage and broken glass in the attacks. An unexploded pipe bomb was also found in the attack and was detonated by the police. No one was injured in the attacks.

Robert S. Garmon, the manager at Waldenbooks, said that while his employees were "apprehensive," the store would "keep our promise" to sell the book.

Both Cody's and Waldenbooks have been sold out of "The Satanic Verses" for two weeks and expect to begin selling it again as soon as copies are received from the publisher, Viking Penguin Inc.

GERMAN: Bonn Pushes Agenda

(Continued from page 1)

ington, London and Paris oppose until Warsaw Pact grounds forces have been cut back heavily enough to reduce the need for Western battlefield nuclear weapons.

Also, East-West talks on cutting conventional forces in Europe are due to start in Vienna next month, and many diplomats expect the Bonn government to emerge there as the leading Western advocate of NATO's making significant cuts in its own forces, which are concentrated in West Germany.

Most Western governments envisage only scant cuts in NATO forces, insisting instead that the Warsaw Pact undertake major, one-sided cuts to bring its forces down roughly to equality with the North Atlantic Treaty Organization.

On economic issues, West Germany's proclaimed goal of helping the Soviet leadership produce visible improvement in living standards is also liable to put Bonn at odds with other Western capitals.

With Washington, the issue is exports of militarily sensitive technology; with London and Paris, it is how widely to open the European Community to trade with East European nations.

West German officials maintain that their record of alliance solidarity is unimpaired, even citing the government's recent willingness to follow through on the politically unpopular decision to extend the length of military service of West German draftees from 15 to 18 months.

In an apparent effort to deflect allied criticism and protect West Germany's position on détente, Foreign Minister Hans-Dietrich

about what the policies of the governing coalition in Bonn really are.

A British official put it more bluntly: "We're talking about a breakdown of trust between the Bonn government and its main allies."

Without suggesting that Mr. Kohl has succumbed to Soviet blandishments, diplomats express concern that Bonn might see opportunities to enhance its world stature by spearheading new Western policies toward a Soviet bloc in flux.

The poor communication between Bonn and some allied capitals was highlighted by unusual public pressure on Bonn — through U.S. government leaks — to the press and comments by British officials — in a series of recent disputes, including West German loans to the Soviet Union, Bonn's reaction to accusations about chemical weapons exports, and its handling of rising domestic impatience with the inconveniences caused by allied troop maneuvers in West Germany.

The mood of exasperation in the alliance, called "a soul mismatch at this juncture" by a commentator in West Germany, has been fueled by personality clashes between some West German leaders and their U.S. and European counterparts.

Mr. Genscher's animosity for George P. Shultz, the former U.S. secretary of state, has been widely reported in West German newspapers.

Having served as foreign minister for 16 years, Mr. Genscher has accumulated personal experience with East-West negotiations. His exceptional strategic sense contrasts with Mr. Kohl's immersion in domestic politics.

Mr. Kohl's lack of sensitivity to international opinion also has been cited as a factor in causing West Germany to drift into a series of disputes with allies.

Mr. Genscher, an analyst said, has "realized that he has to reassure the alliance, but he resists giving away even a single position in his own agenda for improving relations with the East."

The desire of West German leaders to maintain their room for maneuver, however, an analyst said, has been reflected in repeated objections by Bonn officials to making the nuclear issue, and presumably any other single-issue debate, a "litmus test" of loyalty to the alliance.

It would be a mistake to believe, several diplomats said, that West German policy is simply adrift and can be easily moored again by vigorous allied remonstrances.

Several diplomats cited major differences between West German hesitancy to deploy tactical nuclear weapons in the early 1980s and the current divergences in the alliance over the West policy.

"Then, the West German government wanted, but wanted and wanted statements helped to build public opinion behind the policy," French official said. Now, he added, Paris gets changing signals

Mr. Genscher bridges at suggestions that he has allowed West German policy to become too accommodating to the Soviet Union.

"Genscher did more than anyone else to help deploy the Pershings, changing from the Socialist coalition to the conservative one in 1982 to ensure that the deal went through," an aide said.

Mr. Genscher, the aide acknowledged, feels that other allied leaders, perhaps out of a subtle form of discrimination against Germans, have been "too patient" in having to follow Mr. Genscher's lead.

"They decreed his speech at Davos in 1986 saying that the West should help make Gorbachev's changes irreversible," the aide said. "Now, Mrs. Thatcher is saying the Cold War is over. They clobbered us about the chemical plant in Libya, but George Shultz had already blocked our efforts to settle a ban and a verification on systems in Geneva. They attacked our credits, at the same time, in the European Union, when they already knew that Britain was getting ready to lend them even more."

U.S. Troops and South Koreans Clash

SEOUL (Reuters) — Three South Korean dissidents, trying to reach the border for "reunification talks" with North Koreans, wailed Tuesday with U.S. soldiers guarding the demilitarized zone, witnesses said.

It was the first time U.S. troops had been involved in dissident efforts to meet North Koreans at Panmunjom, but the incident followed months of protests against U.S. troops stationed in South Korea. The "reunification talks" on Wednesday have been banned by the South government.

The three dissidents, members of a new alliance called Chomnimyoed, got through the first gate at the U.S. guard post at the southern end of the DMZ. They were then stopped by the guards close to the second gate after a struggle, witnesses said. South Korean plainclothes police then took the three off the bridge but allowed them to stage a sit-down nearby to demand "Yankee Go Home."

32 Die in Attack on Sinhalese Village:

COLOMBO, Sri Lanka (AP) — At least 32 persons were killed, 9 of them children, in an attack on a Sinhalese village of rice farmers in eastern Sri Lanka, officials said Tuesday.

Officials blamed the attack on a separatist Tamil guerrilla group, the Liberation Tigers of Tamil Eelam, but a spokesman for the group denied responsibility. It was the third massacre this month blamed on the Tigers. At least 75 people have been killed.

The target of the attack, said a source, might be the village of Welikande in the Pothduwa district, about 160 kilometers (100 miles) northeast of Colombo. An official said that most of the victims were hacked to death but that some of the men were shot. He said two villagers were missing.

U.S. and Cuba Clash on Rights Study

GENEVA (AP) — The United States and Cuba clashed on Tuesday over the first United Nations report on allegations of human rights abuses under Havana's Communist government, with each side claiming the report backed its stand.

The report, by a Cuban minister, Raoul Roa Kouri, in a debate before the UN Human Rights Commission, said the report "categorically denies" U.S. charges that Cuban authorities torture and execute opponents and imprison thousands of political prisoners.

Armando Valladares, the chief U.S. delegate and a former Cuban political prisoner, said the report "indicates that civil, political, economic and social rights are violated in Cuba every day, in a systematic manner, almost without exception."

Iran Official Denies Mass Executions

NICOSIA (Reuters) — Interior Minister Ali Akbar Mohtashemi of Iran denied Tuesday that he had told a *Faris*-based magazine that all dissidents in Iranian prisons had been executed.

The Arabic magazine *Al Mustakbal* quoted Mr. Mohtashemi on Monday as saying: "To settle this matter once and for all, all those who have been arrested and those who joined them have been executed."

According to IRNA, the Iranian news agency, Mr. Mohtashemi said the subject of prisoners did not come up in his interview with the *Al Mustakbal* reporter and that statements attributed to him were "a production" of the reporter's imagination.

North's Trial Is Delayed for a 2d Day

WASHINGTON (AF) — Oliver L. North's trial came to a halt again Tuesday after it was discovered that government-censored memos by Mr. North's former aide, the Nicaraguan rebel, Robert W. Owen, had previously been put on the public record.

Mr. North's lawyers moved to dismiss the indictment against Mr. North, saying it was impossible for the former White House aide to get a dispute used under U.S. secrecy procedures in the Iran-contra affair. The dispute was caused by Mr. Owen's memo that stated the name of a Costa Rican official, Benjamin Piza, the former security minister. It was part of the record released in June in a suit brought by the Christian Institute, an activist group that has criticized U.S. policy in Central America.

U.S. District Judge Gerhard A. Gesell sent the jurors home for the second day, saying there were "unresolved" problems concerning the classified material.

For the Record

At least 38 died when Zairean Security forces clashed with student demonstrators Sunday in the southern city of Lubumbashi, and about 300 were injured, an opposition group said Monday in Brussels. The Union for Democracy and Social Progress said the deaths occurred after the deployment of "commandos from Kinshasa," the capital, to control a protest over the deaths of five in Lubumbashi Saturday. (APF)

Rozanne L. Ridgway, 53, the U.S. assistant secretary of state who is the department's senior expert on European affairs, has decided to retire after 31 years in the Foreign Service rather than consider taking the post of ambassador to NATO or another overseas assignment. (WFF)

Chicago voters cast ballots on Tuesday in a Democratic primary pitting Richard M. Daley, the son of a former mayor, against acting Mayor Eugene Sawyer, a black. (Reuters)

The Revolutionary Army, an ultraleftist group in Japan, said Tuesday that it planted the bomb that exploded near a highway on Friday shortly before Emperor Hirohito's funeral procession passed. (AP)

A committee to aid Václav Havel, the writer jailed by the Czechoslovak government, was proposed on Tuesday by Bettino Craxi, head of the Socialist Party in Italy. He called for the formation of a committee of prominent Europeans to press for Mr. Havel's freedom. (AP)

TRAVEL UPDATE

Strike May Delay Italian Air Traffic

ROME (Reuters) — Flights in and out of Italy are likely to be delayed during a 24-hour slowdown strike by air controllers beginning at midnight Tuesday, airport officials said.

They said the dispute, over pay and working conditions, would cause greater disruption for arrivals than departures. They did not anticipate any cancellations. At the same time, customs officers at Rome's Fiumicino airport extended a slowdown and refusal to work overtime until midnight Wednesday. This has caused delays since last week.

Greek civil aviation employees resumed work Tuesday after a two-day strike, but more walkouts may be organized starting March 8 if the government fails to meet pay demands, a union official said. (AFP)

A work stoppage by Dhaka pedicab drivers along with a wildcat strike on private bus lines that entered its fourth day hindered movement in the Bangladesh capital Tuesday. A government plan for a phased withdrawal of the pedicabs from Dhaka's clogged streets has prompted fears of unemployment among the estimated 400,000 pedicab drivers. (AFP)

Singapore's 103-year-old Raffles Hotel closed Tuesday for a two-year accident. (Reuters)

WEATHER

[illegible]

WEDNESDAY'S FORECAST - CHANNEL: Heavy. FRANKFURT: Cloudy. Temp. 43-51. LONDON: Rain. Temp. 7-24 (3-30). MADRID: Overcast. Temp. 13-18 (5-25). PARIS: Partly cloudy. Temp. 5-24 (1-25). PARIS: Cloudy. Temp. 8-14 (1-24). ROME: Cloudy. Temp. 15-19 (9-25). TEL AVIV: Not available. ZURICH: Cloudy. Temp. 11-24 (7-25). BANGKOK: Mist. Temp. 33-35 (31-37). HONG KONG: Fair. Temp. 27-31 (23-29). MANILA: Cloudy. Temp. 28-32 (27-30). SOUL: Mist. Temp. 9-14 (6-11). SINGAPORE: Thunderstorms. Temp. 25-28 (24-32). TOKYO: Showers. Temp. 14-21.

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TOWER: *Bush Presses Case*

(Continued from page 1)

Wittauer reporters as he left the White House on Tuesday.

Sen. James E. East, Democrat of Nebraska, has said he expected Mr. Mitchell to oppose the nomination.

Senator John B. Breaux of Louisiana, a Democrat who met privately with Bush, said he was leaning against the nomination.

"I admire that he admits having a drinking problem," Mr. Breaux said, "but it's an indication he has a problem."

Another Democrat who went to the White House, Senator Dennis DeConcini of Arizona, said he was somewhat more predisposed to vote for Mr. Tower, but he too expressed concern over Mr. Tower's drinking habits.

Mr. DeConcini said a reading of much of the FBI report found "damaging things in there."

Mr. Bush had individual meetings with John W. Warner of Virginia, as ranking Republican on the Senate Armed Services panel, and with three more Democratic senators: J. Bennett Johnston of Louisiana, Charles Robb of Virginia, Lloyd Bentsen of Texas and Bill Bradley of New Jersey.

Mr. Tower worked as a private defense consultant after leaving the White House.

Mr. Tower, Mr. Pressler said in a TV interview, "has been involved in a deal involving Pentagon contractors" is "going to take a tough, independent secretary of defense, and I'm not sure John Tower's that man."

(AP, UPI)

Nunn Admits He Drank Before '64 Auto Accident

The Associated Press

WASHINGTON — Senator Sam Nunn's opposition to John G. Tower's nomination as the U.S. secretary of defense, based in part on allegations the nominee has a drinking problem, has led to the senator admitting that he had been drinking before he had an auto accident in 1964.

The Wall Street Journal, in Tuesday's editions, reprinted an article from *The Atlanta Journal* that detailed the accident and Mr. Nunn's plea of guilty for leaving the scene of an accident. The article was first published Dec. 4, 1972, after Mr. Nunn won election to the Senate as a Democrat from Georgia.

According to police reports, Mr. Nunn left a party in his hometown of Perry, Georgia, about 2:45 A.M. in October 1964. His car swerved off the road, hitting a parked car. He drove several blocks before again going off the road and down an embankment.

He was charged with hit and run and leaving the scene of an accident. Court records show he forfeited a bond of \$115.50 on one charge, leaving the scene of an accident.

Mr. Nunn, 50, is chairman of the Senate Armed Services Committee, which rejected Mr. Nunn's nomination last week by an 11-to-9 vote.

On Tuesday, Mr. Nunn acknowledged in a statement released by his office that he had been drunk on the night of the accident.

"That evening, I had enough to drink so that both my driving and judgment were impaired," he said. "I pled guilty to leaving the scene, paid my fine, apologized to all concerned and at the age of 26 learned a valuable lesson which I have not forgotten."

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High Court Rules Strikers Face Loss of Seniority Rights

The Associated Press
WASHINGTON — The U.S. Supreme Court, in a victory for Trans World Airlines, said Tuesday that railroads and airlines may penalize strikers by giving their jobs to employees with less seniority who stay on the job or return to work before the strike ends.

In a 6-to-3 ruling, Justice Sandra Day O'Connor said for the court that such a policy "of encouraging prestrike workers to remain on the job during the strike or to abandon the strike and return to work before all vacancies were filled" was a legitimate "exercise of TWA's peaceful economic power."

The decision was denounced by Justice William J. Brennan Jr., who said in a dissenting opinion that favoring workers who cross picket lines was "inherently destructive of the right to strike."

The ruling is based on an interpretation of the federal Railway Labor Act, which governs airlines as well as railroads.

The case stems from a dispute between TWA and the Independent Federation of Flight Attendants. The attendants' three-year

contract expired July 31, 1984, and the union called a strike on March 7, 1986, when negotiations failed.

TWA hired more than 1,220 new flight attendants after the strike began. In addition, about 1,280 TWA flight attendants crossed picket lines either at the outset of the walkout or as the strike continued for more than two months.

After the strike ended, the union filed a lawsuit charging TWA with illegally refusing to reinstate more than 2,000 striking workers.

The 8th U.S. Circuit Court of Appeals ruled in 1987 that striking flight attendants were entitled to their old jobs at the expense of less-senior flight attendants who had crossed the picket lines.

The 1,220 flight attendants hired during the strike were allowed to keep their jobs and were not affected by that ruling or by Tuesday's decision, which reversed the 8th Circuit ruling by favoring the so-called cross-overs, or persons who crossed the picket line to work.

"That the prospect of a reduction in available positions," Justice O'Connor said, "may divide employees and create incentives among them to remain at work or abandon a strike before its conclusion is a secondary effect fairly within the arsenal of economic weapons available to employers during a period of self-help."

"To distinguish cross-overs from new hires in the manner IFFA proposes would have the effect of penalizing those who decided not to strike in order to benefit those who did," she said. "We see no reason why those employees who chose not to gamble on the success of the strike should suffer the consequences when the gamble proves unsuccessful."

She was joined by Chief Justice William H. Rehnquist and Justices Byron R. White, John Paul Stevens, Antonin Scalia and Anthony M. Kennedy. Besides Justice Brennan, the other dissenters were Justices Thurgood Marshall and Harry A. Blackmun.

The court also took the following actions:

• It made it easier for the U.S. government to turn over tax information and financial records to a foreign government. The 9-to-0 ruling allows Canadian officials to see financial records of two Canadians with bank accounts in Washington state. The court said a federal law that protects potential criminal defendants who also are being investigated by the Internal Revenue Service does not apply to tax investigations by foreign governments.

• It reinstated the death sentence of a convicted Florida murderer, saying he should have been barred from mounting a successful constitutional attack in federal courts. The court ruled, 5 to 4, that Aubrey Adams Jr. forfeited the right to challenge his sentence in federal court on an issue he had failed to raise in state appellate courts. Mr. Adams was convicted of strangling 8-year-old Trisa Gail Thornley in Ocala 11 years ago.

• It ruled unanimously in a case from Canton, Ohio, that local governments may be forced to pay damages to people whose rights are violated by inadequately trained public employees if the inadequate training stemmed from governmental "deliberate indifference."

In an opinion by Justice White, the court said the inadequate training also must be closely related to the ultimate injury.

The Supremes Agree That Rock Is Loud

By Linda Greenhouse
New York Times Service
WASHINGTON — The only proposition on which everyone at the U.S. Supreme Court appeared to agree was that rock music is loud music.

"Is there any such thing as quiet rock music?" Associate Justice Thurgood Marshall asked Leonard J. Koerner, New York City's chief assistant corporation counsel.

"No," Mr. Koerner replied. But there was no agreement Monday on what the U.S. Constitution permits a city to do about loud rock music.

The question before the court—one of the more controversial First Amendment issues to reach the justices—was the constitutionality of a New York City noise-control regulation requiring musical performers at the Naumburg Bandshell in Central Park to use a city-supplied sound system and sound technician.

The U.S. Court of Appeals for the 2d Circuit had ruled that the regulation violated the performers' free-expression rights. While the city may limit the sound level of concerts, the appeals court said, the constitution permits only the "least restrictive means available."

City control of the "mix" of sounds that make up the artistic presentation is too intrusive, the appeals court said.

The Supreme Court accepted New York's appeal last October. In the hour-long argument, the justices appeared alternately bemused and befuddled by unfamiliar concepts like the role of the "sound mix" in a rock concert.

Mr. Koerner said the regulation did not threaten artistic expression because the city-supplied technician knew how to provide the "mix" that each band wanted.

"So the sound technician is not as important as the conductor of a symphony?" Associate Justice Anthony M. Kennedy asked.

"No, he's really a technician," Mr. Koerner replied. But William M. Kunstler, representing Rock Against Racism, an organization of musical groups that challenged the regulation, vigorously disagreed. The organization has

staged an annual concert at the bandshell since 1979.

"A conductor and the man that does the mix are very comparable," Mr. Kunstler said. He said New York City's effort to substitute its technician for a band's own was "as if the city said that we're going to put Georg Solti in there instead of Zubin Mehta because Solti plays andante and dolce and Mehta always plays loud."

Mr. Kunstler, a well-known civil rights lawyer, addressed the court in a folksy, almost familiar manner, and some of the justices responded in kind.

By contrast, Mr. Koerner, like Mr. Kunstler an experienced Supreme Court practitioner, made a low-key, even solemn presentation.

Associate Justice John Paul Stevens challenged him with a hypothetical question. "Suppose a band's drummer or trumpet player is much too loud," Justice Stevens said. "Could the city say, 'We can't control the sound, we're going to get our own drummer who's just as good, exactly the same?'"

Mr. Koerner said that would be a "tougher case" because it would put the city in the position of substituting its "aesthetic judgment" for that of the performers.

New York City's argument is that the First Amendment does not require it to choose the "least restrictive" approach to sound regulation as long as the method chosen is reasonable.

No member of the court acknowledged ever having attended a rock concert, but several justices pressed the lawyers for comparisons between rock bands and symphony orchestras.

"Is the New York Philharmonic as loud as a rock band?" Justice Marshall asked Mr. Kunstler.

Replying that the Philharmonic could get quite loud "when the kettle drums get going," Mr. Kunstler began to describe a concert he had attended.

"I'm sorry I asked," Justice Marshall said.

The court is expected to decide the case, *Ward vs. Rock Against Racism*, by early summer.

AMERICAN TOPICS

Ideas for Memorials And How They Grow

In the last two years the U.S. Congress has authorized new memorials in and around Washington to honor Korean War veterans, blacks in the Revolutionary War, women in Vietnam, the Lebanese author Khalil Gibran, Franklin D. Roosevelt and Francis Scott Key, who wrote the words to the national anthem.

Bills are pending in Congress. The Washington Post reports, for memorials to World War II veterans, the World War II

Yugoslav leader Dr. Mihajlovich, the U.S. Merchant Marine and to members of the American press killed in the line of duty.

And on file at the National Park Service are proposals for further memorials to the American housewife, anti-war protesters, "unknown unborn dead babies," "victims of communism," the naturalist John Muir, and John Adams, the second president of the United States. Joe Wright, a dog trainer from Fayetteville, North Carolina, has been campaigning for years for a memorial to scout dogs of the Vietnam War.

Although Washington will soon have a memorial to Gibran, it has none to Walt Whitman, Mark Twain or Ralph Waldo Emerson. Nor is there a monument to the American Indian.

The Post suggested "a memorial to people who crusade for memorials."

Short Takes

Islam is the fastest-growing religion in the United States. The New York Times reports, and is growing most rapidly among American blacks. Of the six million Moslems in the United States, most are immigrants and their children. But at least one million are believed to be black Americans. Most of them have embraced mainstream Islam, a far cry from the separatist and often violent faith espoused by Elijah Muhammad in the 1960s.

An inmate used a John Dillinger special—a pistol carved from a bar of soap—to escape from the Crown Point, Indiana, jail where Dillinger himself escaped 55 years ago. Dillinger joked that his gun was wooden. In fact, it was real. Robert E. Gregory's was not, but he used it to hold up a bailiff

and steal a car. Mr. Gregory, 25, a convicted burglar, was recaptured without incident in less than an hour.

Officials are trying to rid Anne Arundel County, Maryland, which surrounds the state capital, Annapolis, of abandoned cars and private junkyards. They have their work cut out for them in Bill Rumble's yard in Odenton, littered with the hulks of 30 vehicles amid piles of trash. The Washington Post recounts. Meeting county inspectors on his sagging front porch, Mr. Rumble pointed to a 40-year-old dump truck overgrown by grapevines, engine parts and chicken wire. "I was going to take it to the dump," he said good-naturedly, "but the darn trees done grown up through it."

Arthur Higbee

Swiss Arrest 4 in Du Pont Extortion

Police Say \$10 Million Was Asked for Stolen Secrets

By James Hirsch
New York Times Service

NEW YORK — A two-month international investigation of industrial espionage has ended in a Geneva parking lot with the arrest of four men for trying to extort \$10 million from Du Pont Co., law-enforcement and company officials said.

The case involved some of Du Pont's most important secrets for the production of Lycra, the company's trade name for spandex fiber. Spandex is used in clothes, particularly sportswear, and Du Pont, a huge energy, chemicals, and specialty-products concern, is a leading maker of it.

Three of the four men charged Monday are former employees of Du Pont's Argentine subsidiary. They were arrested as they tried to escape a trap set for them, law-enforcement officials said. A warrant has been issued for a fifth suspect, also a former employee.

The four Argentine nationals had been with Du Pont at least 13 years, working as middle managers until they quit within the last five months. Du Pont said they were trying to sell to the company stolen

proprietary information on Lycra. The case involved a huge cache of stolen documents, an elaborate sting operation by the Federal Bureau of Investigation, and collaboration among law officials in three countries.

The FBI and Du Pont gave this account of the case:

In December, one of the suspects, Bruno Skerianz, contacted Du Pont and said he had documents from the company's Argentine subsidiary on spandex technology and the production of Lycra, one of Du Pont's most important products. Mr. Skerianz, the one suspect who had not worked for Du Pont, asked for a meeting with Du Pont officials in Wilmington, Delaware, where the company has its headquarters.

Du Pont alerted the FBI, which assigned an agent to work undercover as a Du Pont official in the company's negotiations with Mr. Skerianz.

At the first meeting between the suspect and Du Pont, on Dec. 20, Mr. Skerianz demanded \$10 million for the Lycra documents, threatening otherwise to use the

information to go into business for himself or sell it to a competitor.

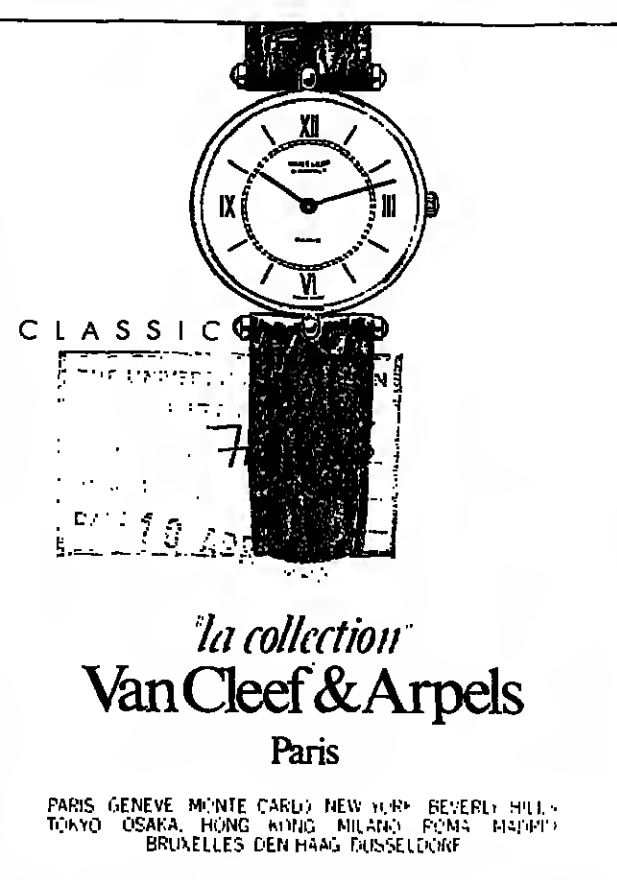
In a second meeting and in telephone conversations that followed, Mr. Skerianz said the documents were in Milan. Last month, Du Pont officials and the FBI undercover agent went to Milan, and the company concluded that the documents, as the suspect had claimed, contained the Lycra information.

Du Pont contacted Mr. Skerianz and agreed to pay him \$10 million.

The Geneva meeting was scheduled for 11 A.M. Monday in a conference room at an office building. Several Du Pont officials and the FBI agent had planned to exchange a bogus \$10 million check for the documents, after which the Geneva police would arrest the suspects.

But the suspects had apparently learned of the trap, because they stayed in their hotel room, which was under surveillance. At noon, four of the five suspects left the hotel with several huge attaché cases containing thousands of pages of documents, which they put in two cars.

The Geneva police arrested the four in the parking lot.



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MURDER IN THE EMERALD KINGDOM — Colombian police restraining a relative from entering a luxurious ranch owned by the so-called "king of emeralds," Gilberto Molina, after gunmen killed him and 17 bodyguards during a weekend party at Sasaina, 72 kilometers west of Bogotá. Mr. Molina, 53, survived two murder attempts in 1988. One was attributed to rival emerald miners, the other to leftist rebels. Police sources have linked him to cocaine activities.

Mexico Claims Anti-Drug Successes

Washington Post Service

MEXICO CITY — With the U.S. Senate scheduled to begin the "certification" process Wednesday on Mexico's performance in combating drug trafficking, the Mexican government and the U.S. ambassador here are claiming major successes by the three-month-old government of President Carlos Salinas de Gortari.

In a briefing after the signing of a bilateral agreement on cooperation in the war on drugs last week, Ambassador Charles J. Philoid Jr.

praised the Mexican government for what he said was a "remarkable" and "quite impressive" increase in its anti-narcotics efforts.

In a separate interview, Mexico's deputy attorney general in charge of anti-narcotics matters, Javier Coello Trejo, listed achievements since Dec. 1 that include the arrest of 1,617 persons for drug offenses, eradication of 2,162 acres (875 hectares) of opium poppy and marijuana plants and seizure of 70 pounds (32 kilograms) of pure heroin, 92 tons of marijuana and 2.2 tons of cocaine base.

The State Department is to release its annual report Wednesday for the congressional certification hearings on whether Mexico and others are cooperating fully with the United States in fighting the drug trade.

Under a 1986 law, decertification of a country in which narcotics are produced or transhipped would require the U.S. government to cut foreign aid and vote against loans by multilateral institutions. Mexico receives about \$15 million a year in assistance for a drug-eradication program.



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A Rebuff in Beijing

Diplomatic harmony and good feelings are all very well, but China's leaders drew the line at President George Bush's invitation to allow Mr. Bush to go to the American party in Beijing was a striking rebuff to their visitor, Mr. Bush. It seemed to us that Mr. Bush was much too mild and complaisant in response to it. He should have registered much more strongly and quickly his own displeasure. He should have politely raised hell.

As the incident illustrates, the extraordinary reforms in the Chinese economy are not being balanced by anything similar in the country's political system. The leadership seems to regard one kind of progress as the enemy of the other. The Communist Party's general secretary, Zhao Ziyang, had earlier gone out of his way to deflect Mr. Bush from any mention of human rights by saying that the dissidents were a threat to progress in economic decontrol and decentralization. On that point, too, we think Mr. Bush should have countered strongly.

In the aftermath of the party that Mr. Bush didn't attend, the Chinese government complained that the embarrassment was entirely the fault of the United States for having invited him without first consulting them. But of course there was more to it than that. The party was delivering a double message: to the Chinese people stay in line, and to the Americans to mind their own business.

But the Americans regard human rights as their business and should. Does it sometimes get in the way of commerce and other kinds of international business? No doubt, but that

is a price that most Americans have consistently been willing to pay. While China is a country of great importance to the United States, the American concern for human rights is increasingly going to be a factor as the dealings between them expand.

After the party, as he was leaving China, Mr. Bush expressed his regret over the treatment of Mr. Fang to the vice premier who was seeing him off. The president, a spokesman said, prefers to talk about human rights cases in a low key and privately. There is something to be said for that approach in certain (but not all) situations, but only as long as it is not so low-keyed and private that it becomes invisible, and only if it does not convey the signal that the United States really doesn't care what the offending government does to its own protesters.

In fact, Mr. Bush had a point when he chided the United States for what he called its double standard in dealing far more gently with these issues in China than in the Soviet Union. It is true that Chinese practice has improved immeasurably since the atrocities of the Cultural Revolution. Not a hand was laid on Mr. Fang on Sunday. He was not whisked off by the cops. He remained at liberty to tell the world what had happened. But the Cultural Revolution is not exactly a sterling standard against which to measure progress, and Mr. Fang is living under an authority that remains monolithic. As long as that continues to be true, it will set clear limits on the relations between Mr. Bush's country and Mr. Bush's. The Chinese government leaders need to understand that.

—THE WASHINGTON POST.

Say No to John Tower

The last act of the drama of John Tower's nomination to be defense secretary opened on Sunday with his startling pledge to abstain from alcohol. That adds yet another factor to the complex balance that senators must strike this week when they decide whether to give their advice and consent.

Out of many weeks, much smoke and some fire emerge five questions by which the nomination can be appraised.

Is Mr. Tower qualified by experience and policy views to be secretary of defense?

Yes. As a longstanding member of the Armed Services Committee, and its chairman from 1981 to 1984, he has abundant knowledge. He supported the indiscriminate Reagan buildup, which laid the basis for the Pentagon's present budget crisis, and still shows no arduous to correct the long list of Pentagon abuses. But strong policy views should not disqualify a candidate, and these views are well known to George Bush.

Isn't the president entitled to his nominee?

In principle, of course. Nominations to his own cabinet are different from lifetime commissions to the Supreme Court. The Democratic Senate recognizes this principle. It has already approved 11 of Mr. Bush's nominees without a single dissenting vote either in committee or on the Senate floor. But even Mr. Bush, despite years of political debts to Mr. Tower, took a month to decide to nominate him—that was Act I of the Tower drama. The Senate has the right to hesitate, too, and to deny its consent in extreme cases.

Without clear evidence of indiscretion—without a smoking gun— isn't it offensively partisan and Puritan for Senate Democrats to vote against Mr. Tower?

Not necessarily. Act II closed when the Senate Armed Services Committee split 11 to 9 against the nomination along party lines. Mr. Tower's backers cite that as evidence of party politics. But the split was almost certainly more complex. True, there is no smoking gun, but then neither is Mr. Tower on trial. This is a political test of his suitability for executive office—indeed, a test that opened with the odds heavily in his favor. If the Senate usually presumes in favor of presidential nominees, it is positively enthusiastic about former senators like Mr. Tower. That members of both parties on the Armed Services Committee

who know him well are clearly perturbed puts weight on the negative side of the scale. Do wine and women justify second-guessing Mr. Bush's choice?

Maybe. The hearings have raised a storm of accusations about Mr. Tower's private life. These require the most stringent of tests: rumors can be generated about almost anyone. From what is on public record, the allegations of Mr. Tower's womanizing lead nowhere. Mr. Tower now admits he drank too much in the 1970s, although he denies that he was ever addicted. Still, it is worrisome that he has never sought treatment. His pledge not to drink at all while at the Pentagon should probably allay some doubts. Still, the alcohol problem, while not disqualifying, weighs against Mr. Tower's fitness to serve as second after the president in the military chain of command.

Is Mr. Tower spinning too fast through the revolving door of business and government?

Yes. After years of Pentagon contracting scandals, the next secretary of defense does not need to be troubled by conflicts of interest, real or perceived. That should not disqualify anyone with experience in the defense industry; an executive could recuse himself from issues involving his own firm. Mr. Tower's situation is different in two ways. He had many clients, too many to allow refusal. And he opened his consulting firm immediately after working as an arms negotiator in Geneva, where he acquired valuable insight into future weapons systems. He says it would have been "reasonable" to share classified information with his clients. Still, some senators are troubled by the use of more general knowledge in advising clients. Sam Nunn, the committee chairman, says, "It's a tough line to draw, but I do believe John Tower crossed that line."

The revolving-door problem, the drinking issue, his poor record during the very first weeks of his daily in office: taken together, these all weigh against Mr. Tower. Instead of forcing Senate voters, he would serve the president better by withdrawing. Even if he won the vote, his effectiveness would be seriously damaged by the experience of recent weeks. All the more reason for the Senate to say no, if it has to, to the Tower nomination.

—THE NEW YORK TIMES.

Other Comment

FSX: Japan Might Go It Alone

The decision by the White House to re-examine the agreement negotiated last year to help Japan build a new advanced fighter plane, the FSX, through the transfer of F-16 fighter technology is regarded with surprise in some circles here.

If the United States decides to continue the agreement in more or less its present form, most of the critical technologies, such as advanced avionics and phased-array radar systems, would be designed here. This country would also develop a composite wing for the new plane in collaboration with the American manufacturers, which suggests a reasonable trade-off in technology between the partners.

But if the U.S. review of the FSX agreement undergoes lengthy delays or leads to new, still to be announced conditions, that may well push Japan to again lean toward undertaking development of the FSX entirely on its own.

—The Japan Times (Tokyo).

A Threat to Civilization

In the affair of "The Satanic Verses," what is at stake is not the content of Salman

Rushdie's book but the right to freedom of opinion, to respect for human rights and for civilization itself, which is now threatened by a politically interpreted fundamentalist orthodoxy. The West and particularly the Third World, through the United Nations Organization that it dominates, must stand up for the idea of tolerance and for especially among religious. If self-appointed guardians of absolute truth and official defenders of "holy war" gain the upper hand in this world, freedom of thought and freedom in general will be in jeopardy.

—Neue Zürcher Zeitung (Zurich).

Bush's Pacific Triangle

No president before George Bush had dared state publicly that the United States was an "equally Pacific and Atlantic" nation. Now that Mikhail Gorbachev has given a new turn to relations with Washington, Mr. Bush has gone so far as to state solemnly in Beijing that he gave his blessings to the improvement of ties between China and the Soviet Union. Mr. Bush and Deng Xiaoping seem agreed to establish a perfectly equal triangle as the framework of relations between the Pacific's three great powers.

—Diario 16 (Madrid).

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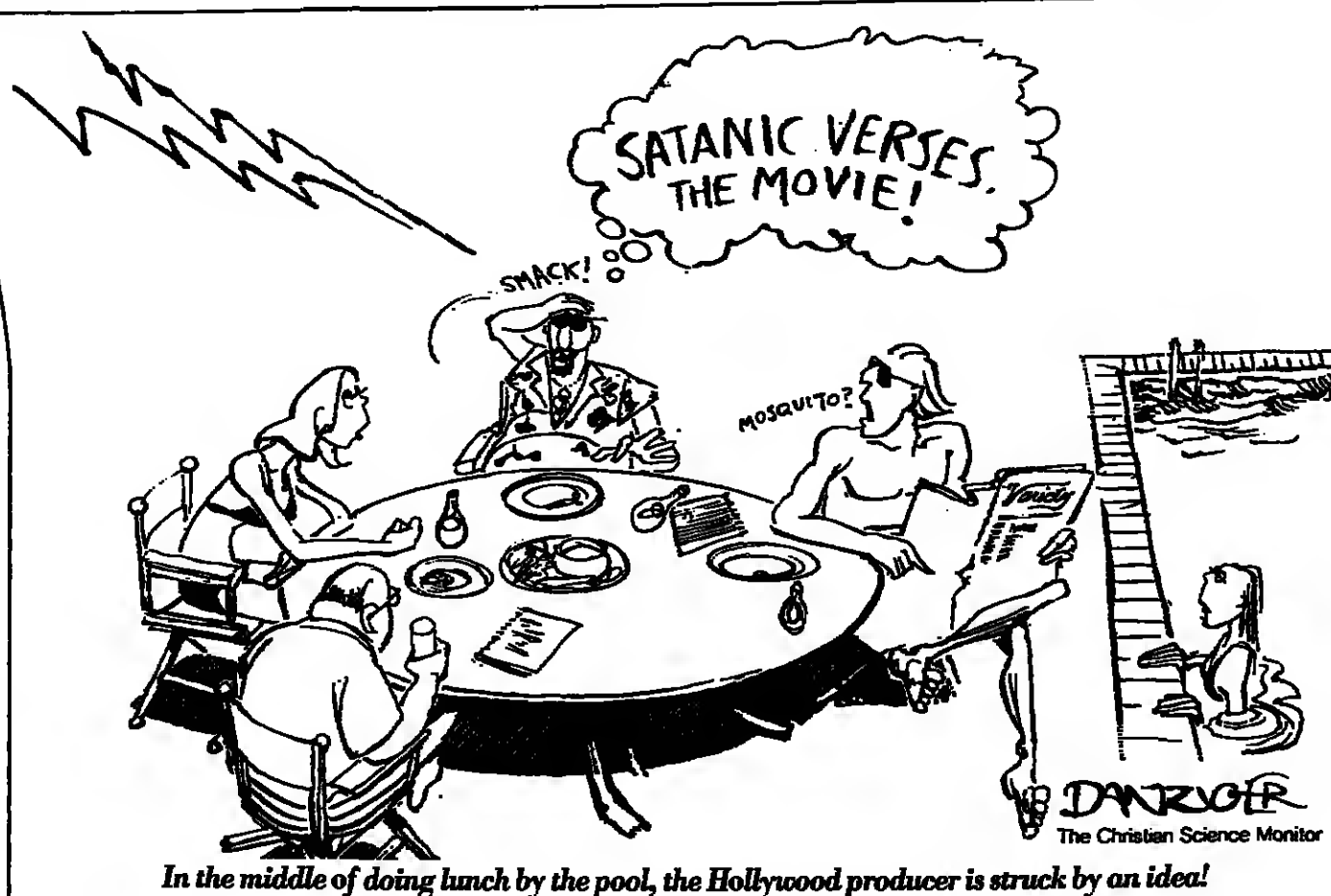
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In the middle of doing lunch by the pool, the Hollywood producer is struck by an idea!

Who Will Stop Iraq From Torturing Children?

By Jonathan Power

LONDON — Brutal treatment of children has become routine practice in the prisons of Iraq. Amnesty International reported last night. Young people have been tortured, often to force them to reveal information about their relatives. Infants have been ill-treated to compel members of their families to confess to alleged political offenses.

Who can influence Iraq? It fought a nonsensical war with Iran for eight years. Contrary to a solemn international treaty that it had signed voluntarily, it used chemical weapons, first against Iran and then to kill 5,000 residents of Halabja in an attempt to destroy a Kurdish stronghold.

Amnesty says it is asking the United Nations Commission for Human Rights, now meeting in Geneva, to investigate and find a way to protect these children. But this comes a few days after the commission published a scathing report on abuses in Cuba. Will Iraq's Islamic friends veto any action, just as Cuba's Communist friends did? Can they close their eyes to stories like these?

Mirza Rashid was 6 years old when he was imprisoned in 1985. He is currently held in Mosul. Lami Khan 'Abd al-Baqi Taha was 12 when she was imprisoned in 1985. She is now held in Dohuk. Ladghin Sabri Hussain was 10 when imprisoned in 1985. He is in Mosul.

Muhammad 'Omar Najm was 11 when sent to jail in 1985. He is held in Tikrit. Jun'a 'Abd al-Baqi Taha was 11 when imprisoned in 1985. He is in Dohuk.

Amnesty has evidence of the torture of whole groups of children. According to the testimony of a former detainee released from Fudaiyya Security headquarters at the end of 1985 and regarded by Amnesty as an honest source, some of the 300

children and youths from Sulaimaniya held in the prison were beaten, whipped, sexually abused and given electric shocks.

Another former political prisoner, also considered very reliable, tells about the fate of his own family brought in front of him and tortured to make him reveal his political affiliation. He said: "My mother, three sisters and three brothers with five children aged between 5 and 13 were arrested and brought in front of me. They were subjected to the *falanga* (beaten on the soles of the feet) and electric shocks." He says he saw a 5-month-old baby screaming after being deliberately deprived of milk to force his parents to confess.

Iraq is not alone in abusing children to intimidate parents. The regime of Alfredo Stroessner, recently overthrown in Paraguay, was a notorious practitioner of this black art. I will never forget two photographs of the 17-year-old son of the Paraguayan doctor, painter and philanthropist, Joel Holden Filartiga, who was well known for the help he gave to the rural poor and his constant opposition to the dictatorship. In one photo is the young Joel, a bright, attractive boy. In the other is the picture, taken during his autopsy, of a face distorted by pain. In an effort to intimidate his father, the boy was abducted and tortured to death.

The Soviet Union used to separate children from their parents to bring pressure to bear on families who belonged to religious communities.

In Ethiopia the chief of state, Colonel Mengistu Haile Mariam, in an effort to consolidate his power in the early days of his revolution, un-

leashed in 1977 what he called the "Red Terror." During the peak period, at least 100 young people aged between 12 and 25 were killed. Executions often took place in public, and then the bodies were sold back to the parents for burial. "Paying for the bullet," the revolutionaries called it.

The worst of all the atrocities I have come across was the massacre of 100 children in the Central African Republic by Emperor Bokassa in 1979. Some were murdered by suffocation in the central prison in the capital, Bangui. Some of the survivors claimed that they saw the emperor inside the prison personally directing and participating in the killings. Another survivor described how a group of 20 boys were taken outside Bangui and killed when stones were dumped on top of them.

Wherever these atrocities occur, it is civilization at its lowest level. The Soviet Union and the Central African Republic have now outlawed such behavior, but in other countries it still persists. Iraq is the worst current case but not the only one. Last year there were well substantiated reports of the torture of children in South African prisons, and more recently there have been similar reports coming out of Turkey.

Without Amnesty International there would have been no exposure of Emperor Bokassa, and he probably would not have been toppled. The French had protected their protégé with a wall of silence, but once the press gave front-page coverage to the Amnesty report they felt compelled to send in the paratroopers to depose him. No one protested against their blatant intervention. Iraq is a harder nut to crack, but we should never give up.

International Herald Tribune.

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Religious Words, Political Ends on the Subcontinent

By Karan Thapar

LONDON — Perhaps because religion is the opium of the masses it is also a convenient tool of politics. That, at least, is the lesson of recent history on the Indian subcontinent. From the start of this century Indian and Pakistani politicians have exploited Islam and Sikhism to advance their own political cause.

Satanic Verses? The "Satanic Verses" has now fallen into this trap. It began when three Pakistani opposition politicians organized a demonstration in Islamabad against the book's publication in the United States. They did so while Prime Minister Benazir Bhutto was in Beijing; their aim was clearly to embarrass her.

As a modern, Western-educated woman, Miss Bhutto has a secular outlook. Demonstrations of Islamic fervor are awkward for her: If she ignores them she can be accused of selling Islam, but if she pays them undue attention she may encourage the very sort of fanaticism which says that a woman cannot lead the

government of an Islamic nation. Farook Abdullah, the secular-minded chief minister of India's Kashmir state, where Moslems are in the majority, is also vulnerable to fanaticism. He is a British-trained doctor whose wife, Molly, is English.

As Kashmir's first chief minister committed to union with India, he has been accused by Moslems of forgetting their interests.

The opposition factions that organized protests in Kashmir against "The Satanic Verses" knew Mr. Abdullah would be embarrassed. As a Moslem he could hardly defend the book. As an Indian he could hardly condemn the demonstration; that would have meant that Moslems in Pakistan were free to express themselves against their Indian co-religionists.

Thus, what happened in India and Pakistan was merely domestic politics by another name. But because it sparked a deep religious reaction, it

has taken on independent life. People have died in India and in Pakistan, and politicians in Dhaka and Islamabad have called for Mr. Rushdie's sentencing; all over the subcontinent Moslems are furious.

Pakistan has now called for a worldwide ban on the Rushdie book. There is irony in Miss Bhutto, a graduate of Harvard and Oxford, supporting such censorship. Her plight is mirrored by that of Rajiv Gandhi. Educated at Cambridge and married to an Italian, he admits to agnosticism. In 1984, when he became prime minister, he acknowledged the need to separate religion and politics. But no more.

In 1986, fearing that Indian Moslems might reject their traditional links to the Congress (I) Party, he pushed through legislation denying alimony (or divorced Moslem women, though the constitution guaranteed it. Islamic law sanctions only three

months' maintenance payments, and orthodox community elders disapproved of more. Rather than stand by India's secular law, Mr. Gandhi made an exception for Moslems.

Against this backdrop, a second Indian politician asked the government in October to ban the Rushdie novel, casting his request in terms of Moslem votes. It was approved.

The politicization of religion goes back a long way on the subcontinent. Early in the century, it arose with Mahatma Gandhi's use of the Khilafat movement to unite Hindus and Moslems. He achieved a short-lived sectarian unity, but it was still an exploitation of religion for political purposes. Years later, Mohammed Ali Jinnah's constitutional call for a separate Moslem state of Pakistan found little response — until he presented it in religious terms.

Islam was also at the center of General Mohammed Zia ul-Haq's quest for legitimacy. As a dictator he craved credibility; unable to win elections, he devised the policy of Islamization. And it was religion, too, that converted the Sikh economic and political movement into a secessionist struggle. Indira Gandhi at first sponsored the movement's revivalism to embarrass her opponents. But it outgrew her control, leading to crisis.

As an Indian-born Moslem, Salman Rushdie obviously knows this history. He has suggested that his book was designed partly to curb the worst of Moslem communalism. Odd that it should have become the victim of what it was intended to attack.

Mr. Thapar is an Indian journalist who writes frequently on South Asian affairs. He contributed this comment to The International Herald Tribune.

For China A Lesser Standard

By Pei Minxin

CAMBRIDGE — The futile determination of Fang Lishi, China's most respected advocate of human rights, to attend President George Bush's barbecue in Beijing on Sunday had all the elements of tragic farce. For four and a half hours — by car, by bus, by taxi and on foot — Mr. Fang tried to gain entrance to the dinner, clutching his invitation. Each time he was foiled by a Chinese leadership equally determined to stifle democracy. As usual, the United States stood by and did next to nothing.

The best that George Bush could manage was an expression of regret, channeled through his spokesman, Martin Fitzwater. There was no condemnation, no official protest. This unprecedented event — preventing a guest of a United States president from meeting with him at his invitation — is only the most dramatic example of the persistent abuse of human rights in China.

For the past 14 years the United States has been an acquiescent spectator to human rights violations in China — an attitude markedly different from the one it displays toward the Soviet Union. This double standard has never been more obvious and hypocritical than in the handling of the persecution of Andrei Sakharov and that of Mr. Fang.

The Reagan administration publicly denounced the Soviet Union for forbidding Mr. Sakharov to travel abroad. When George Shultz went to Moscow, he met the physicist as a gesture of American support. Partly because of such pressures, Mr. Sakharov was able to travel to the United States last year.

When Mr. Fang, an astrophysicist, was invited to five American universities last year, he was denied a passport by the Chinese government because he had openly condemned corruption among its leaders. Mr. Sakharov wrote a letter of protest to the Chinese government, but the United States avoided public criticism for fear of hurting U.S.-Chinese relations.

That fear of angering Chinese leaders silenced not only President Ronald Reagan, an ardent anti-Communist, but also President Jimmy Carter, a champion of human rights. Now it has silenced President Bush. As Sunday's events show, that fear is diligently exploited by some Chinese leaders to suppress dissidents with impunity.

The Soviet Union in the post-Stalin era, and particularly under Mikhail Gorbachev, has a much better human rights record than China under Deng Xiaoping. Scores of political prisoners remain in camps in the Soviet Union, but hundreds languish in Chinese jails. Soviet citizens now enjoy a significant degree of freedom of speech under glasnost, but not the Chinese under *kai-fang* — the Chinese word for glasnost. Mr. Fang's political writings are banned, for example.

The fear of jeopardizing Chinese-U.S. relations is exaggerated. Consistent American pressure would scarcely drive the Chinese into "the arms of the Russians," even with the warming of their relations. Maintaining good relations with America actually means more to China than it does to the United States, particularly since U.S.-Soviet relations have improved significantly. China knows it has the most to lose should it undermine Chinese-U.S. relations by alleging interference in its internal affairs.

Thus it is appalling — and ominous — that the new administration was immediately intimidated. Secretary of State James Baker quickly excused the bombing as a "quiet diplomacy." Brent Scowcroft, the national security adviser, first said he didn't know what was going on and then lamely said the president hoped that all his invited guests would be able to come to his parties. Worst of all, after General Secretary Zhao Ziyang harshly warned Mr. Bush against publicly supporting human rights, the president said nothing and never once uttered the words "human rights" throughout his visit.

If the events of the past few days are any indication, the Bush administration's commitment to freedom and democracy will be selective. Human rights activists in China can take only slight comfort from Mr. Bush's parting gesture: He sent his ambassador in Beijing to reiterate his regret that "somebody whom he had invited to a banquet he had hosted was unable to come."

The writer, a student of government at Harvard University, contributed this comment to The New York Times.

100, 75 AND 50 YEARS AGO

1889: Fierce Floral Fight

NICE — The fiercest fight with flowers ever witnessed in Nice took place today [Feb. 28]. For three hours two thousand warriors flung bouquets at each other from their gaily decked chariots, and ten thousand folks looked admiringly on from their windows, balconies and tribunes. There has never been so great a crowd at any previous fête. The weather was beautifully fine and the route bright with burning. Two bands, those of town and of the United States, played. The scene presented on the promenade was most brilliant and gay.

1914: End of Coal Strike

PARIS — Signs were evident yesterday [Feb. 28] that the French coal miners' strike is nearing its end, the men's syndicate in various districts having decided in favor on resumption of work. Owing to the lack of coal at Saint-Etienne, several fac-

ories have closed until further supplies are received from abroad.

1939: Protest in Poland

WARSAW — Scores of students were injured today [Feb. 28] in anti-German rioting. German minority newspapers were confiscated by police, the Nazi Brown House was raided. The rectors of Warsaw University appealed to the Foreign Ministry to ask the Nazi government to protect the lives of Polish students in Danzig. At a mass meeting at the university, Polish students read telegrams from German mobs and that the Polish student house was under siege. Led by a thousand students, a crowd of 15,000 Poles shouting "Down with Hitler!" "Down with Germany!" "Danzig to Poland!" marched to the Foreign Ministry, the Parliament and the German Embassy, frequently scuffling with cordons of Warsaw police who attempted to disperse them.

OPINION

A Link Between the Hostage and the Author

By A. M. Rosenthal

NEW YORK — Four years ago, three foreign correspondents and an editor of The New York Times met in Amman to talk about coverage of the Middle East.

The reporters had come from Jerusalem, Cairo and Beirut. As soon as the editor took him aside, he told him the paper had decided it was too dangerous for an American correspondent to stay in Lebanon and was going to pull him out, immediately.

Americans had already been taken hostage in Beirut. There was fear in the

of the 14 hostages remaining in captivity are injured.

Syrian soldiers patrol some of the streets and towns where the hostages are imprisoned. Instead of constantly, fruitlessly courting Syria, the West should be using all its economic and political power to force President Hafez Assad to help free the hostages.

One Russian was taken prisoner in Beirut — one Soviet agent promptly seized and killed a brother of one of his terrorist kidnappers. They got their man back at once.

The government of Mikhail Gorbachev is silent about Mr. Rushdie. And it chooses this very moment to send Foreign Minister Eduard Shevardnadze to Tehran to gaze admiringly into Ayatollah Khomeini's eyes. Mr. Shevardnadze eagerly told the ayatollah that conditions were now ripe for better Soviet-Iranian relations.

This was a direct slap in the face to every Western country, most particularly the United States. But we do have another check.

American writers have strongly condemned the death threat to Mr. Rushdie; good. But the Anderson case never

quite caught the imagination of writers and other intellectuals in the United States or abroad, and they did not do much about it.

Even after the kidnapping of Mr. Anderson, a peculiar little collection of American and British journalistic writers busied themselves proclaiming that the idea of terrorism was a creation of conservative American and Israeli propagandists.

They liked Mr. Rushdie's own sharp criticism of Britain and the United States, so the terrorist threat to his life shook them. Soon they will regroup and figure out how the threat is all the fault of Americans and Israelis, but nobody will care.

No medals for anybody — not the press, which allows Mr. Anderson and the other hostages to slip from mind; nor craven Western governments eager for trade with those countries responsible for the captivity of the hostages; nor the Kremlin, behaving with predictable opportunism, nor Third World nations that slam away at the United States but cringe at criticizing the ayatollah, Mr. Assad and other masters of terrorism.

No medals, but at least the connection is clear — Terry Anderson, Salman Rushdie and us.

The New York Times.



Inquisition at the Airport: Welcome to Fortress 1992

By Nalini Singh

NEW DELHI — "Stand up straight." I coo myself, "nothing will happen." But my knees turn to water. Then it's my turn beyond the yellow line.

"Who invited you to this country?" demands the immigration officer at London's Heathrow airport. His question lodges like an arrow in my vocal chords.

"I am a tourist," I say in a small voice. His gaze rests on my sari, a garment he doubtless associates with India's "underfed hordes."

"What is your salary? Do you have any money to spend here?" he asks loftily. "Yes, my government allowed me

... I don't join a queue with other Filipinos, because I'll be associated with their "motives." It kills me to disown them, but it's the best expedient.

A Thai friend says, "At JFK I go to a black or Hispanic immigration officer. They are less rude."

Most of us Asians look upon the inquisition at Western airports with resigned tolerance. We understand that industrialized countries want to build walls against invading Asians and Africans.

But now we are speeding to 1992, when a Single Act will unite 12 EC countries into a free-access zone. For EC citizens, travel procedures will be less complicated than they have been for hundreds of years.

For non-EC citizens, there are ominous signs already. Britain introduced visa requirements in late 1986 for visitors from India, Pakistan and Bangladesh, and Ireland followed in 1988. France has revoked its visa waiver for several Asian and Middle Eastern countries. West Germany, France, the Netherlands and Britain also canceled the facility of visa-on-arrival for Asian passengers in transit.

"We've got to start fortressing the soft borders, like France, where a lot of illegal immigration takes place," confides a European diplomat in Delhi. "After '92, an illegal migrant will have the run of the entire EC territory. We can't allow that."

I like his candor. He doesn't offer the official EC explanation that the changed procedures accompanying 1992 will facilitate travel by Asians and Africans to Western Europe. For instance, Britain claims that its new DNA testing technique to test genetic relationships will assist entitled immigrants. But the immigration officer will still use arbitrary judgment to assess characteristics such as "criminal tendencies."

Machine-readable passports and visas will not establish legal access of visa holders to Europe. They will only reduce the queues of incoming passengers at immigration counters.

If indeed the Western world intends to facilitate travel for all international travelers, this year they will start training incoming passengers in the mechanized procedures and techniques.

Recently, Calcutta's streets had an inquisitive night visitor, Jack Lang, France's dynamic minister of culture and communications. He made a private visit to noted classical musicians.

"It's such a sophisticated culture," he said spontaneously. "There must be more exchange between us."

"But Europe is insulating itself," I shot back. "What'll happen in 1992?"

After a moment he said, "I really can't say. Nobody knows." And then he was silent.

Anybody out there willing to break the silence?

International Herald Tribune.

ON MY MIND

New York office that an American journalist might be the next target for kidnapping or assassination.

The correspondent protested that there were still stories to be done in Lebanon, but the editor said the decision was firm.

The next morning the journalists — I was the editor involved — got word that Terry Anderson, the correspondent for The Associated Press, had been taken hostage on a street in Beirut. We all knew that had we not happened to be meeting in Amman that day in March 1985, the victim might have been our own man from Beirut, instead sitting there at breakfast.

After Mr. Anderson was kidnapped, virtually all Western correspondents left Beirut. The stories appearing in the Western press from Beirut are by stringers, mostly Middle Eastern journalists residing in the city. Some are men of integrity and courage, but they cannot be expected to dig deeply into terrorist groups or other death-warrant topics.

Mr. Anderson is still a prisoner. There is a connection between Terry Anderson and the story of Salman Rushdie. If the rest of the world had acted with more determination and less hypocrisy on behalf of Mr. Anderson and the other hostages, Mr. Rushdie might not have to hide, fearful forever of being murdered.

The West pretends it does not know the truth — that the kidnappers act under instructions or with the cooperation of Iran, Syria, Libya and some of the Palestinian groups.

Iran hardly bothers to pretend otherwise. Yet it was not until the threat to Mr. Rushdie that the West European nations took even the minimal step of withdrawing their envoys from Tehran.

The only step that would mean anything would be a sea and air blockade of Iran, accompanied by the warning of bombardment of military targets if any

Why Israeli Troops Fire

Regarding "How to Deal With Rioters" (Letters, Feb. 16):

Niall MacDermot's description of Israeli soldiers as using "lethal weapons against stone-throwers" who are described as "mostly children and youths" is highly disingenuous. It suggests squads of soldiers using firearms against children tossing pebbles about.

The true situation is small groups of soldiers, or civilians, or vehicles, being set on by gangs hurling large rocks, iron bars and gasoline bombs. These can kill and have done so; their intent, far from innocent, is to maim and kill.

Against such attacks, the means described by Mr. MacDermot — helmets and plastic shields — are largely irrelevant. Batons, tear gas and plastic bullets, on the other hand, are indeed used where appropriate. But in extreme, life-threatening situations there is no alternative to the use of other means.

The exercise of self-defense in such a way by Israeli soldiers is not disproportionate, and therefore not illegal.

PINHAS ELIAV,

Permanent Representative of Israel to the United Nations Office, Geneva, Coimrin, Switzerland.

Black Americans in Africa

Regarding "Yes, Blacks Are Different: They Aren't From Europe" (Meanwhile, Feb. 9) by Courtland Milloy:

Mr. Milloy supports Afro-centricity, quoting Fredrick Phillips' definition of it as "incorporating the thinking, perceptions, priorities and values of African people into our education." He particularly supports Mr. Phillips' contention that "it begins to let us know that we, as black Americans, are normal in the context of African people." These ideas have romantic appeal, but they are unrealistic. They negate the degree of cultural assimilation that has taken place in the United States.

During a three-year stay in Zambia, I asked several black Americans about their reactions to Africa and Africans. Without exception, they spoke of feeling much more American than they had before arriving in Africa and observed the wide cultural gulf between Africans and themselves. Zambians, for the most part, tended to perceive black Americans in the same way as white Americans, noting that they were not really black in color, nor were they African in any cultural way.

Certainly, school curricula should include the study of the peoples and cultures of Africa, just as the study of the peoples and cultures of Mexico should be included. And steps should be taken to preserve the cultural histories of America's diverse ethnic groups. But the time has come to recognize the commonalities of Americans of different origins, and to build on that strength.

CHRISTINA HVTIFELDT,
Petaling Jaya, Malaysia.

Not Right for Everyone

In response to "For New 'em' 'gins, Accent Does Matter" (Jan. 31):

The concern about sounding "right" is symptomatic of a deeper malaise of English society, the concern for appearances over realities, for wearing the right uniform, "U" and "non-U."

I am not surprised, for it is quite in keeping with the spirit of the age, that we should be encouraged to discard perfectly comprehensible and serviceable forms of speech in order to kowtow to the ethos for which Received Pronunciation is the shibboleth. It is the ethos of powerful people who are where they are because they went to the right universities and knew the right people.

As a Scot, a linguist and a libertarian democrat — and therefore a nonmember of the club — I find any expectation that I should speak Received Pronunciation obnoxious.

EDWARD FREEMAN,
Divonne-les-Bains, France.

The Strength of the Tail

Regarding the report "In America, a Lie Usually Beats the Gun Laws" (Jan. 20):

For years I have been an enthusiastic outdoorsman. I enjoy hunting enormously and own a collection of beautifully crafted guns. But as an American I am appalled by U.S. attitudes on gun control, particularly those of the National Rifle

Association. Politicians who lack the strength of character to stand up to the NRA must take the blame for the spread of dangerous weapons and the killings that ensue. We should all be required to register our guns. Sales should be permitted only after a careful background check of each would-be purchaser. Violators should be prosecuted.

JOHN F. MAGAGNA,
Jakarta.

The growing danger to policemen on the job, to civilian bystanders, even to schoolchildren at recess makes the fervent clinging to "gun rights" — by the NRA, hunters and President Bush — smack of disregard for human life. It would be to their honor if gun-owning sportsmen would submit to more reasonable controls on behalf of an increasingly endangered public.

WINSTON A. SAUNDERS,
Lausanne.

America, your affair with drugs and guns is more than just a frightening side show — it is the disease that will finish you. Coming from Toronto, I find it stunning that any reprobate in the United States with the requisite amount of cash can be the proud owner of a shiny new assault rifle. The right to bear arms is an anachronism; the NRA is an inappropriate tail for the wagging of such a dog as the United States.

TIMOTHY GODSALL,
Paris.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The Siege of Jalalabad: Rebels at an Impasse

Guerrillas Await Collapse in Kabul

By Donatella Lorch
New York Times Service

ZAKHEL, Afghanistan — For more than two months Afghan rebels have tightened their siege of the eastern city of Jalalabad, but the war in this green valley at the foot of snowcapped mountains is at an impasse.

Guerrilla commanders now seem convinced that only through a direct attack will they capture the city.

The rebels have massed their troops in villages on the city's outskirts. But the Soviet-backed government has strengthened its own defenses, setting up new bases and reinforcing old ones, guerrilla commanders say.

Convinced of the imminent collapse of the Kabul government, the rebels exhibit little sense of urgency. They are virtually ignoring political leaders in Pakistan, who have set up an interim government.

"Without attacking, it is not possible for Jalalabad to fall," said Akhtar Mohammed, a commander from the Hezb-i Islami group led by Mawlawi Yunus Khalis, one of the more rigorously Islamic of the seven opposition parties based in Peshawar, Pakistan.

Mr. Mohammed said an attack

would take place in about two weeks at the earliest. But, he added, it depends on whether the guerrillas can put together a military strategy and whether civilians leave the city.

Military tactics are now impinging on the economic timetable of a future Afghanistan and refugee repatriation.

The fields around Jalalabad lie fallow, the civilians long gone and the guerrillas unwilling to till them.

For there to be a crop this spring, Western relief workers say, the fields should be planted by March.

If not, this will be the fourth planting season that has passed since the signing of the Geneva accords providing for the Soviet troop withdrawal from Afghanistan, which was completed Feb. 15.

The refugees in Pakistan are waiting for a military victory before they return.

Only a field of rushes and cattails separates Zakhel, a small rebel-controlled town, from the green groves that surround Jalalabad, several miles away.

But the guerrillas say the fields are mined and therefore they can enter only by way of the main road.

For any attack to succeed, they must first knock out the posts on the small hills near the govern-



Afghans on the Jalalabad Road cutting up a wrecked Soviet tank to sell as scrap metal in Pakistan.

ment-controlled town of Samarkand.

Mr. Mohammed, a former high-school teacher from Jalalabad, takes the waiting philosophically. "Peace will come whenever the set of leaders come up with a joint plan," he said.

"I don't worry about what will happen now," he added. "I worry about later. The hardest thing will be to rebuild my country."

The commander and his party

are now concentrating on trying to move civilians out of the city. At night, the rebels put posters on walls urging people to leave.

But only a handful of civilians have left.

They walk out through the bombed-out villages in Kama District, in the northeast of the city, ragged groups of turbaned old men, veiled women and brightly dressed children.

Their stories are similar.

Little food is available in Jalalabad, but the government is allowing few civilians to pass through their checkpoints.

Those who make it out carry letters of safe passage from guerrilla commanders, quickly scribbled notes that they present to passing rebel groups.

The region is highly tribal, with close links to the border tribes in Pakistan. The Kabul government invested much money in the area in

an effort to buy tribal loyalties in both countries and foster instability in Pakistan.

"It was very difficult to capture this area," a commander said of the fighting last year.

"The Khalis lost hard, almost until the last man," he said, referring to one of the two factions in the Kabul Government. The rebels still feel animosity toward the civilians, whom they brand Communist sympathizers.

Leader Appears to Win Delay by Sudan Army

By Jane Perlez
New York Times Service

NAIROBI — The prime minister of Sudan appears to have won another reprieve for his leadership by stalling on demands by the military that he broaden his government and end the civil war.

In a speech to parliament on Monday, the last day of a deadline set by the army last week, the prime minister, Sadek Mahdi, said he would step down next Sunday unless the armed forces gave him a free hand to meet demands. In effect, he said he would seek to form a new government but the army must not impede his efforts in the next few days.

Troops were reported to be on alert in the capital, Khartoum.

At the same time, the rebels, the Sudan People's Liberation Army, asserted that they had taken the symbolically important southern garrison of Torit, east of Juba.

The State Department has watched the recent developments in Sudan with close interest and increasing frustration.

Considered an ally of the United States, the country is important for its strategic position — bordering Ethiopia and Libya and six other

nations. But U.S. officials, who have been eager to keep Sudan out of Libya's orbit, have expressed disappointment with the prime minister. Secretary of State James A. Baker 3d said two weeks ago that the United States would do all it could to support emergency aid to the victims of the civil war.

On Monday, a Western diplomat said it seemed that the prime minister would "come up with something of some compromise."

The most telling sign of compromise, the diplomat suggested, was the nature of the rebels' ultimatum: if it would not have given a seven-day warning.

The political crisis was set off when Defense Minister Abdel-Megid Hamed Khalil resigned in protest against Mr. Sadek's failure to accept a peace proposal negotiated in November by one of the country's major political parties.

2-Bus Crash Kills 16 in Peru
The Associated Press

LIMA — Two buses collided head-on in the outskirts of the capital Monday, killing 16 persons and seriously injuring seven after one of the vehicles struck a motorcycle and lost control, police said.

INTERNATIONAL BUSINESS MESSAGE CENTER

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JOINT VENTURE OR LICENSING OPPORTUNITY We have established a unique program and developed relevant programs and chemical products for specific applications in the following areas: • In situ upholstery/carpets/carpets dry cleaning and fabric protection • In situ acoustic tile ceiling cleaning and recoating • Fire, flood and environmental building damage restoration • Graffiti removal and anti-graffiti coating • In situ air conditioning duct registers and system cleaning • In situ both the interior and exterior Each of the processes lends itself to the establishment of a profitable business franchise. We are seeking qualified individuals who wish to join us in our new ventures or be granted franchises for the rights to market our products, or any of the above that complement their existing activities. Specialized Chemical Products Inc. Ltd. 25-54 Kennedy Street, Toronto, Ont. M2N 3K5 Tel: (416) 491-2555 Fax: (416) 491-4113 Telex: (742426) (DABORG)	BOOMING ECONOMY Toronto, Canada Prestigious community, well established, average \$300,000 CDN + yearly based on 200 yearly fixed price. Good opportunity & capacity for growth. 1,000 sq. ft. home, 1,200 sq. ft. kitchen, basement, fully equipped, well maintained, modern European equipment. Selling price \$250,000 (including equipment, car, share, inventory). Minimum investment \$100,000 or purchase of building available. Lot size 120 ft. x 19 ft. Building size 20 ft. x 19 ft. Five parking spaces. Building constructed 1976. Apartment on 2nd floor, 1,000 sq. ft. 2 bedrooms, fireplace, kitchen, bathroom, fully equipped, newly redecorated, tastefully decorated, living room, dining room, kitchen, bathroom, fully equipped. Selling price \$250,000 (including equipment, car, share, inventory). Minimum investment \$100,000 or purchase of building available. Lot size 120 ft. x 19 ft. Building size 20 ft. x 19 ft. 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22 Hurt In Israeli Attacks

Palestinian Bases In Lebanon Hit

By Ihsan A. Hijazi

New York Times Service

BEIRUT — Twenty-two school children were injured Tuesday when Israeli Air Force jets attacked Palestinian guerrilla targets in the Chouf mountains, a few miles southeast of Beirut, the police said. They added that an air-to-surface missile hit a schoolyard at Ainab during an air strike against a base belonging to the Democratic Front for the Liberation of Palestine, a Marxist faction, in the neighboring mountain resort of Chemlani.

Three persons were killed in the 20-minute raid, the police said. The wounded children are between the ages of 5 and 10.

An Israeli military spokesman quoted by the state radio monitored in Beirut said the planes hit guerrilla positions used for staging attacks against Israel.

Tuesday's was the third Israeli air strike against Palestinian guerrilla bases in Lebanon this year. It came after hard-line Palestinian guerrillas and their Lebanese leftist allies have escalated their attacks against Israeli troops and their Christian militia allies in south Lebanon in an apparent defiance of orders for calm issued by Yasser Arafat, chairman of the Palestine Liberation Organization.

Israel has stepped up its reconnaissance activity to head off cross-border operations by PLO forces, according to security sources and reports in the Beirut press. At the same time, the Israeli Air Force has increased its flights over Syrian military positions in eastern Lebanon.

On Thursday, three guerrillas from the Democratic Front were killed inside the so-called "security zone" maintained in south Lebanon by Lebanese Christian troops with Israeli support. Eighteen days earlier, the Israeli-backed forces killed four Palestinian guerrillas who were trying to infiltrate into northern Israel.



President Bush on his way back home aboard Air Force One.

Jet-Lag Diplomacy Tarnished Bush Trip to Asia

By R.W. Apple Jr.

New York Times Service

WASHINGTON — As President George Bush stumbled through a speech to the National Assembly in Seoul on Monday, speaking of "the last members of the Olympic flame" instead of "last embers," and uncharacteristically mangling other parts of his text, some may have wondered whether the president was wise to undertake a grueling trip to Asia with his administration still in its formative stage.

Such an exercise in jet-lag diplomacy inevitably exacts a physical and psychological toll, even on the fittest and most vigorous people, and it is much worse when they have to keep looking back over their shoulders at the problems pursuing them.

"It feels more like a campaign trip, improvised as we go along, than a serious foreign-policy enterprise," a staff member said in Beijing.

Mr. Bush and his aides clearly think it worthwhile, at least at this early stage of his presidency, to race from country to country at breakneck speed, showing the flag and spreading reassurance.

Secretary of State James A. Baker 3d "did" 15 countries of Western Europe in only a few days, and now Mr. Bush has "done" northeast Asia (and met with the leaders of a dozen other countries) in less than a week.

For what? Before Mr. Bush left Washington, his national security adviser, Brent

NEWS ANALYSIS

A. Scowcroft, said the president had new proposals for some of the people he would meet.

If he made them, he made them in secret, because there was not even the smallest surprise in anything that Mr. Bush or any aide reporting on his activities had to say.

Perhaps because Presidents Gerald R. Ford, Jimmy Carter and Ronald Reagan traveled at a more measured pace, with Mr. Reagan often heading for foreign engagements several days early to give his body time to adjust, Mr. Bush's schedule seemed frantic.

Among old-timers in the traveling party, the helter-skelter quality of the trip recalled the presidencies of Lyndon B. John-

son and Richard M. Nixon, when Air Force One was a shiny new toy in which to stage dramatic dashes around the world. After several 20-hour days, fighting a 14-hour time difference with Washington, Mr. Bush reported himself as frisky as a colt, but his associates made no effort to hide their fatigue.

There is no proof, of course, that Mr. Bush or members of the White House staff made questionable decisions because they were moving too fast and resting too little. But the signs of raggedness were there.

Why, for example, when it discovered on arrival in Tokyo on Thursday night that Mr. Tower was in deeper trouble than previously apparent, did the White House staff not ask the Senate Armed Services Committee to postpone its vote until the president returned in Washington?

Why, to cite another episode, did the White House not more carefully plan the handling of the dinner invitation in Fang Lizhi, the rights campaigner whom the Chinese police prevented from reaching the Great Wall Sheraton Hotel, where the dinner was held?

Why, once again, did Mr. Bush fail to forcefully raise, after pledging to do so, the question of human rights in his lengthy meetings with the four key members of the Chinese leadership?

An oversight? Inadequate organization?

Or does he really think, as his spokesman, Martin Fitzwater, explained 24 hours after the fact, that human rights is better discussed in private, without publicity?

That view, if the president indeed holds it, will not do him much good with the conservatives he has so avidly cultivated.

Mr. Bush has revealed in favorable comparisons with his predecessor, for his appointments of experienced government hands rather than ideologues in vital jobs.

Yet, the trip had its benefits. Even if little of substance was discussed, the Japanese were grateful for Mr. Bush's presence at the emperor's rites, and even if things went awry, the Chinese obviously relished the president's effort to define a "special relationship" between Washington and Beijing, and they obviously like the Bushes.

Jaruzelski Warns Poles Army Will Halt Protests

By Jackson Diehl

Washington Post Service

WARSAW — General Wojciech Jaruzelski has declared that Poland's stability has been "dangerously" worsened by a festival of strikes and protests, and has warned that the army is prepared to ensure that the country "will not be pushed from socialism's road."

The speech by the Polish leader, before a meeting of army officers Monday in the town of Bydgoszcz, and prominently reported Tuesday in the state press, followed violent student demonstrations in Krakow last week.

It appeared designed to reassure the Communist Party's security ap-

paratus as well as remind Poles of the 1981 imposition of martial law that suppressed the Solidarity union movement.

He said that "the fact that I state this just at this place and just at this time" at a military gathering "will also be a warning."

But he praised the negotiations that, entering their fourth week, appear to have made significant progress toward a broad political pact that would legalize Solidarity. General Jaruzelski said he was "an advocate of reacting with patience and understanding in the emotions of young people."

"However, there are certain limits and they must not be exceeded," he said.

Hinting of a crackdown, he added that "the ministers of national education and of internal affairs should draw appropriate conclusions."

The statement, his most important since the start of the round-table talks, coincided with a major government propaganda campaign against demonstrations.

A government statement Monday night accused students of "anarchism, anarchy and symptoms of terrorism," and said that leaders of the Students' Union, which also was banned in 1981, must repudiate these acts if they wished to win legalization. Lech Walesa, the leader of Solidarity, appealed to students to "go on with your studies."

One militant opposition group, the Confederation for an Independent Poland, has yielded to Solidarity's appeals and declared a one-week moratorium on street demonstrations. The group's national leader, Leszek Moczulski, said Tuesday in Warsaw that the moratorium had been accepted by the students in Krakow.

"The demonstrations have stopped, but we can begin them again" next week, he said. General Jaruzelski said that steps against "noisy, confrontational and anarchy-prone" politics must be combined with decisive action to halt soaring inflation that he blamed on "price robbery" by inefficient producers and "wage blackmail" by striking workers.

He also delivered a strong, veiled criticism of Communist Party hard-liners, including activists of the Communist-backed trade unions who have battled his move toward an accord with Solidarity.

NATO Exercise in Norway

OSLO — A North Atlantic Treaty Organization exercise involving 17,000 troops has started in northern Norway and is scheduled to last until March 22, Norwegian defense officials said on Tuesday.

Serbs Protest Separatism In Kosovo

The Associated Press

BELGRADE — About 500,000 Serbs massed Tuesday to protest what they call separatist tendencies in Kosovo Province, where a miners' strike forced the resignation of three party leaders.

The Yugoslav federal president, Raif Dizdarevic, addressed the crowd in front of parliament, promising that the country's leadership would "understand all necessary measures" in present Yugoslavia via from falling apart.

The protesters frequently interrupted his speech with slogans backing the Serbian Communist leader, Slobodan Milosevic.

"It is the duty of the presidency to defend the integrity of the federation and the constitutional system of the country," Mr. Dizdarevic said.

In Kosovo Province, hundreds of ethnic Albanian miners ended their occupation of the Trepca lead and zinc mine Monday after three provincial officials bowed to the strikers' demands and resigned.

But the miners continued to insist they would not go back to work until their original demands were met, including the abandoning of planned changes in the constitution.

The government imposed emergency measures in Kosovo Province on Monday. Officials did not amplify Tuesday on those measures.

The three ethnic Albanian officials, including Kosovo's Communist Party boss, Rahman Morina, were believed by the strikers to be supporters of the Communist Party in Serbia, which has been demanding greater control over its nominally autonomous province of Kosovo. The other two officials were Husamedin Azemi, party leader in Pristina, and Ali Sukrija, a member of the party central committee.

Meanwhile, in a second lead and zinc mine, 800 members of Kosovo's Slav minority remained in their pits to protest the resignations.

CARACAS: 50 Die in Riots

(Continued from page 1)

national guard troops in armored cars after the soldiers began firing birdshot and tear gas at looters.

A 32-year-old pregnant woman who was not involved in the rioting was shot and killed, and scores of people were wounded, a local journalist said.

Rioters and looter in the shantytown emptied dozens of stores and supermarkets and set at least 14 vehicles ablaze.

Residents in San Agustín del Sur took over the Francisco Fajardo highway, the city's main artery, on Monday. They fought a battle with police that began with rocks and tear gas and ended with gunfire from both sides.

Officially, bus fares were to rise about 30 percent. But the transportation minister, Gustavo Rada, said Tuesday that some increases have been as high as 50 percent, apparently because of price gouging by bus drivers.

The country's \$33 billion foreign debt is the fourth-largest in Latin America. This week, Venezuela is to sign a \$1.5 billion credit with the International Monetary Fund.

"The last time I saw this was the 23d of January, 1958, the fall of the dictator," said German Guedes, an old man, pulling on a new pair of shoes inside a building as firing persisted outside.

(AP, Reuters, AP)

Towns on Adige Renew Warning on Tap Water

The Associated Press

ROVIGO, Italy — Mayors of 24 towns along the Adige River renewed warnings on Tuesday not to drink from the tap because local water supplies have been contaminated by toxic chemicals, including benzaldehyde, toluene and xylene, discharged by factories.

An estimated 150,000 people in the area, 56 kilometers (35 miles) southwest of Venice, have been without potable tap water since Sunday. Residents have had to stand in long lines at mobile tanks set up by the army and municipal authorities to get water for drinking and cooking.

Konrad Lorenz Dies; Ethologist Won Nobel

The Associated Press

VIENNA — Konrad Lorenz, 85, the Austrian zoologist who founded modern ethology and won a Nobel Prize for his pioneering studies of human and animal behavior, died Monday of kidney failure in Altenburg, northeast of Vienna.

In 1973, his studies on the organization of individual and group behavior patterns won him the Nobel Prize in Physiology or Medicine together with Karl von Frisch and Nikolaas Tinbergen.

When accepting the award, he apologized for a 1940 publication judged to reflect Nazi views of science, saying that "many highly decent scientists hoped, like I did, for a short time for good from National Socialism, and many quickly turned away from it with the same horror as I."

In 1941, Dr. Lorenz was drafted. He was captured by the Russians in 1944 and spent four years as a POW, a time he described as "midway between being a teacher, a soldier, a clown and a soul searcher."

He had turned to research in animal behavior shortly after obtaining his medical degree in 1933. He had become an animal lover as a child, collecting a variety of animals at his home outside Vienna. The collection included fish, dogs, monkeys, insects and especially ducks and geese.

His first important findings con-

cerned the social life of birds. Those studies convinced him that many aspects of their behavior were innate and instinctive, rather than learned.

His views were controversial, and they became even more so when he suggested that such instinctive behavior might be important in humans, too.

He published dozens of books. Several became best sellers in English, such as "King Solomon's Ring" in 1952 and "Man Meets Dog" in 1954. His most controversial was "On Aggression" in 1966, in which he asserted that aggressive impulses are to some degree innate, drawing on analogies between human and animal behavior.

Other books included "The Eight Deadly Sins of the Civilized World," "The Decay of the Human," and "The Evolution of Thought."

Dr. Lorenz was known above all for his discovery of a process known as imprinting, or the rapid learning process that occurs in early childhood, bonding animals in their biological mothers.

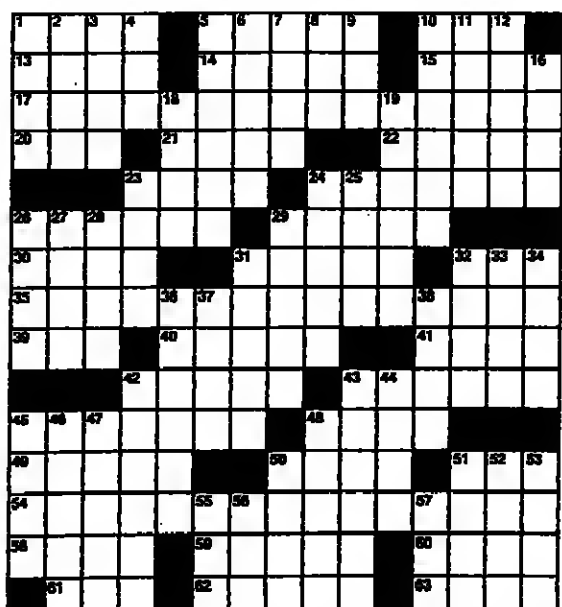
But he demonstrated that mallard ducklings, for example, would happily follow a human who greeted them shortly after birth and imitated quacking. His detailed studies of geese especially led him to some penetrating and often gloomy conclusions about humanity.

ACROSS

- 1 Tardy
- 5 Davis or Midler
- 10 Kind of iron
- 13 "Thanks _____"
- 14 A Kennedy
- 15 State positively
- 17 Start of a question to a cleric
- 20 Affirmation
- 21 Sometime business abbr.
- 22 Cut the cake
- 23 Carrots' companions
- 24 Electro-current units
- 26 Set of prayer beads
- 29 Massenet opera
- 30 Emerald
- 31 Full of sound
- 32 Greek letter
- 35 More of the question
- 38 Three, in Torino
- 40 Scandinavian

DOWN

- 1 Luck or Bountiful
- 2 Medicinal plant
- 3 "_____ in the Attic": Hellman
- 4 D.D.E.'s command
- 5 Be disloyal
- 6 Basic spirit of a culture
- 7 Not that
- 8 Decimal-system base
- 9 B.P.O.E. member
- 10 Rich furs
- 11 To have, in Le Havre
- 12 Two-spot
- 16 Road-map abbr.
- 18 "Deutschland _____" "Allies"
- 19 Hope to achieve
- 20 Foot trail
- 24 "Boston's _____": Browning
- 25 Netherlands river
- 26 Landlord's concern
- 27 Aroma
- 28 Locale
- 29 Long look of hair
- 31 See eye to eye
- 32 Guitarist Atkins
- 33 Tortoise's adversary
- 34 Privy to
- 36 Metal bars
- 37 Scandinavian goddess of fate
- 38 Sunbathers' goals
- 42 Takes to the podium
- 43 Not so important
- 44 Souless
- 45 Tenuous
- 46 Nautical term
- 47 Ties to a pier
- 48 Game of chance
- 49 Swindle
- 50 Wound memento
- 51 Sicilian volcano
- 53 Jacob's twin
- 55 Health resort
- 56 Ship
- 57 Poia



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Solution to Previous Puzzle

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ADORE FIRSTNOEL
MARIMBA ETIENNE
FIRSTSTRATE
GODY EYES UDINE
ORA SEAL LENIN
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(Continued From Back Page)

ESCORTS & GUIDES

ARISTOCATS

Denmark: Signs of Strain

Wednesday, March 1, 1989

Debt Burden Brings Painful Questions After Years of Plenty

Welfare, health and education are buckling under the strain of austerity measures.

By Michael Metcalfe

COPENHAGEN — Debt is a way of life in Denmark. To get round a tax burden that has surpassed Sweden's and become the heaviest in the world, the average Dane borrows heavily.

Nonetheless, Denmark's 5.1 million inhabitants — a population half that of London's — enjoy a standard of living almost unparalleled in the rest of the world. A "cradle-to-grave" welfare system has coaxed generations of Danes from the harsh realities of life, such as costly housing, steep medical bills, high transport costs and large-scale unemployment. The system, built up over the past 50 years, rested on the bases of job security, financial well-being and social integration.

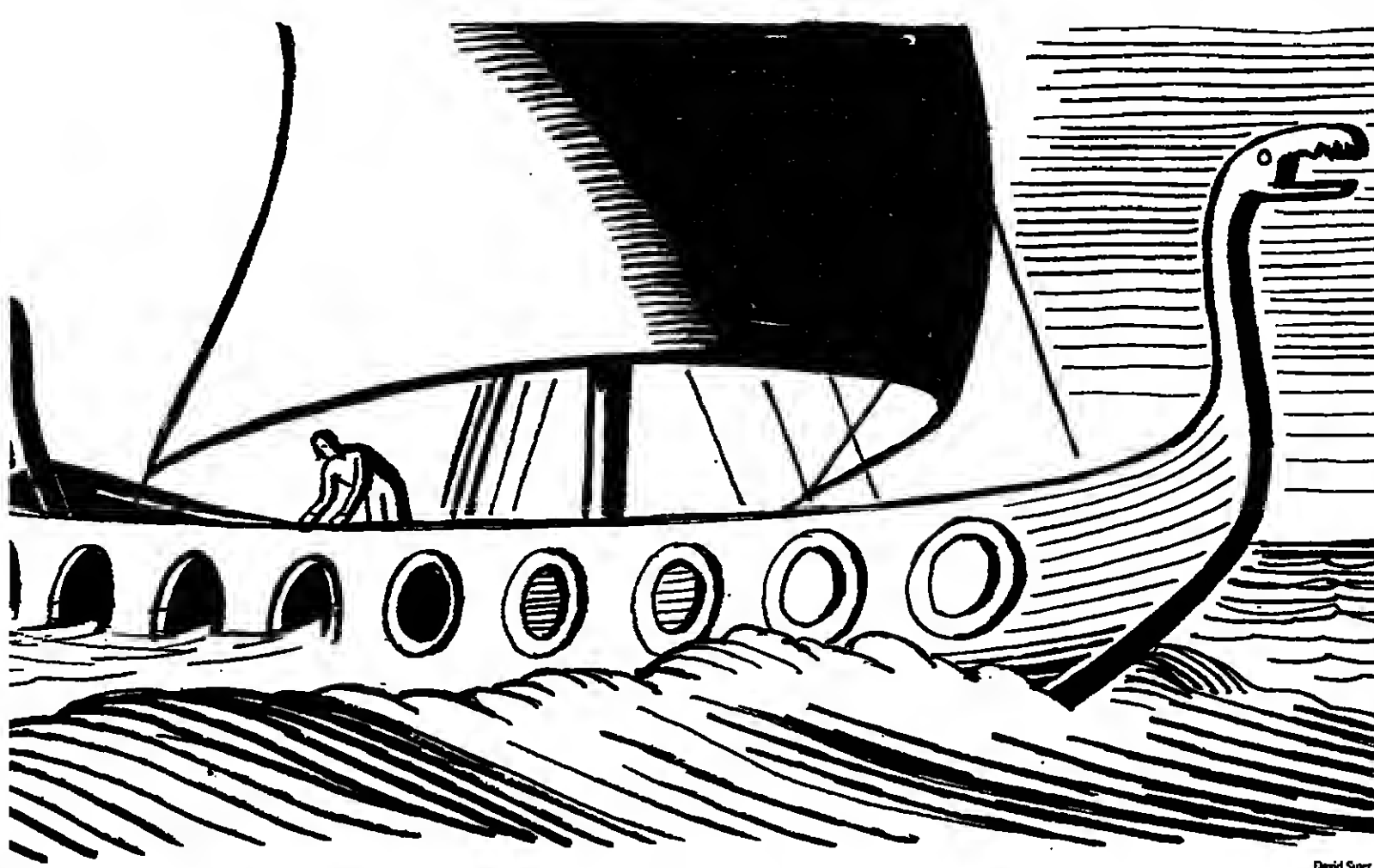
It worked well in the "boom years" of the 1960s, and Denmark's standards of social welfare, health and education came to be regarded as among the best; its society judged as among the most open and the most free.

But this spring, the world's oldest monarchy faces a number of painful, pressing choices if it is to continue to be held in this high regard. Staggering under a national debt burden equivalent to nearly 60,000 Danish kroner (\$8,350) per inhabitant, living standards are declining. Welfare, health and education are buckling under the strain of government austerity measures and local authority cutbacks. And, as the number of Third World refugees flowing into Denmark increases, racism has begun to surface.

The harsher economic climate of the 1970s and 1980s drove the cost of the benefits — which include free medical care, education, child allowances, rent subsidies, pensions and almost full pay for those out of work — to exorbitant levels. According to latest estimates, the system swallows up almost 50 percent of gross domestic product annually, though the rate has progressively fallen since the start of the 1980s.

To feed the system, the Kingdom of Denmark has had to borrow heavily abroad. The net foreign debt was estimated to have reached about 300 billion kroner by the end of 1988, after 25 years of deficits on the current account of the balance of payments, according to recent estimates published by Denmark's leading commercial bank, Den Danske Bank. This represents about 130 percent of Denmark's annual export earnings or 49 percent of gross factor income.

The central bank, Nationalbank, has warned that the



interest burden on the foreign debt has developed at a rate that is "clearly unsustainable."

The ruling center-right coalition and opposition parties are acutely aware of the debt problem but as yet have failed to find a common political platform on which to tackle the issue.

UNTIL recently, Danes could console themselves over their high personal debt with the fact that much of the interest on the debt was tax-deductible. However, an income tax reform that went into effect in 1987 reduced the tax value of deductions from levels equal in value to the marginal rate of income tax (which rose to 73 percent and more) to a flat 50 percent. There is now talk of further paring tax-deductible items.

Many taxpayers have been shocked to find just how much this has bitten into their pockets and, according to

latest estimates, the number of home foreclosures and bankruptcies jumped to record levels in 1988.

Crippling taxes, shrinking purchasing power and rising unemployment have created a strong incentive to work outside the fiscal system, as illegal and undeclared work means no tax deductions or liabilities on payments received. Since personal income tax rates average more than 51 percent and value-added tax is 22 percent, "moonlighting" or "working black" can act as a random, de facto tax subsidy by providing tax reductions to some, while the state each year loses substantial amounts in public revenue.

The growth of the black economy has worried the authorities, who argue that it indicates a change in social attitudes deemed essential for Scandinavian-style democracy and the maintenance of the country's welfare state.

The governor of the central bank, Erik Hoffmeyer, has warned that the black economy is promoting "injustice," a feeling of indifference toward public obligation and social responsibility, and that this could tear apart the moral fabric of society in the long run.

A sense of responsibility toward the weaker, helpless and less privileged members of society has been a vital ingredient in Denmark's homogeneous society for generations, best exemplified by the way in which Danes helped the country's Jewish population against the Nazis in World War II.

But this attitude is under attack, with racism manifesting itself in the otherwise peaceful cities and countryside. Only recently, the government had to intervene to disavow a local municipality from holding a referendum on the level of immigrants in its community.

There have been vicious clashes between Danish youths and refugees, and tempers have flared between

police and immigrants. In one incident, a Lebanese youth was shot to death by a policeman who felt himself threatened.

"We have to have a change in attitude, so it becomes 'in' to be positive toward our neighbor instead of being negative and viewing each and every stranger as an adversary," Finn Slumstrup of the Danish Refugee Council has said.

With the recent introduction of stricter rules on allowing refugees entry, the influx of immigrants has fallen far behind the numbers entering Norway and Sweden, provoking heated debate within Denmark and with its Nordic neighbors on immigration policy.

Debate has also centered on the way in which Denmark is governed, prompting several political commentators and officials to suggest that the present system — with its myriad small parties working (or not working) together in political alliance — is fast becoming untenable.

National elections last May produced the worst possible result for the ruling center-right government and opposition alike: political stalemate with no single bloc the outright winner. The reality of a hung parliament, in which every piece of legislation is hotly contested and revised, could not have come at a worse time.

Several political figures have urged a coalition of the opposition Social Democrats and ruling Conservatives, respectively Denmark's largest and second-largest political parties, to tackle the nation's problems more effectively. So far, the idea has been rejected by both the government and the opposition.

With Prime Minister Poul Schluter presiding over a three-party minority coalition with a narrow power base, the governing of Denmark relies as never before on a willingness to compromise.

More ominously, it also hinges on the whims of a small but rapidly growing party — the extreme-right Progress Party, which wants taxes scrapped and immigrants out of Denmark. Recent opinion polls suggest that if elections were held today, it would replace the leftist Socialist People's Party as Denmark's third-largest party.

The major question now being posed by political analysts is whether a government with responsibility but without power can outflank an opposition with power but without responsibility. They are also wondering whether accepted democratic processes in one of Europe's oldest democracies will buckle under the strain of stalemate and extremism.

The return to power of a Conservative-led coalition for a seventh successive year has meant that policies of austerity, tight money and fiscal constraint, which have marked the economy since 1982, are being maintained.

But, the analysts ask, can the government, with its reduced ability to muster crucial parliamentary votes to ensure passage of often unpopular belt-tightening legislation, succeed in returning the current account to surplus, improving the country's deteriorating international competitiveness, modernizing industry and restoring a more permanent balance to fiscal budgets?

MICHAEL METCALFE, based in Copenhagen, is a correspondent for Business International.

Business Looks West — to Jutland

By Philip H. Bay

ARHUS, Denmark — While Danish politicians remain busy flooding their offices with the latest directives from Brussels, business and industry in this pivotal country of 5.1 million people have already risen well above the water-mark.

Denmark usually conjures up images of tidy and efficient farming, traditional brew such as Carlsberg, and picturesque tourist attractions. These conceptions have survived in the minds of foreigners despite the fact that this small half-Nordic, half-European country has transformed itself into a postindustrial welfare society reeling with thousands of fiercely independent businessmen and companies.

This latest chapter may, nevertheless, also soon become just another fairy tale from the likes of Hans Christian Andersen.

"We are experiencing major structural changes at the moment because of recent mergers in the pharmaceutical and consumer food industry," said Minister of Industry Nils Wilhelmsen.

According to many analysts in Copenhagen, Denmark remains the only industrialized country in the European Community without a major domestic industrial or financial locomotive. Danish business remains, for the most part, a mosaic of specialized, small to medium-sized enterprises surrounded by a few relatively large international companies.

According to Mr. Wilhelmsen, the center-right minority government of Prime Minister Poul Schluter wants to change this. "We are legislatively removing the barriers that remain and encouraging the structural changes now taking place in the private sector," he said. "Even public opinion supports this. A few years ago mergers like these would have been looked upon negatively."

The recent merging of Novo Industries and Nordic Gentofte, both major producers of insulin, was well received and gives Novo-Nordic



Prime Minister Poul Schluter

A/S a 50 percent share of the world market. Eli Lilly, U.S.A., has a 45 percent stake.

"We are not two desperate companies in need. This is an offensive merger on both our parts," Henry Brønnum, the president of Nordic Gentofte, said recently.

A recent international star is the multi-service group, International Service System A/S. ISS specializes in security, energy, data and cleaning services with more than 85,000 employees worldwide and total sales worth more than 5 billion kroner for 1987. Together with the Jutland Telephone Co., ISS has undertaken all the preliminary developmental work for the communication, monitoring and environmental control systems of a new World Trade Center. Known in Denmark as *Langeliniehu-*

ser, the endeavor will be the country's first example of an "intelligent" building. The project's ground-breaking ceremonies are to begin on May 1 this year.

ISS division chairman, Ulf Sogaard, said that his company's participation in the World Trade Center in Aarhus, Denmark's second largest city, was clearly a sign that the country was preparing for 1992.

"Business activity is steadily increasing on the Jutland peninsula because of its geographical location with the Community," Mr. Sogaard said.

According to the vice president of the project, Soren Christensen of Kurt Thorsen Totalentreprise A/S, the World Trade Center will facilitate international trade for Danish companies that lack the capacity to gather information in foreign markets. "The center will place Denmark on the map of world trade," he said.

This "westward movement" worries many politicians because it could further reduce Copenhagen's industrial tax base.

"It's difficult to explain," said Mr. Wilhelmsen. "There seems to be a better business environment the farther west from Copenhagen you go." He also believed that local municipalities in Jutland were more service-minded toward industry.

Minister of Labor Henning Dyrsmose said the growth in small to medium-sized companies in the western part of the country was bound by tradition. "The labor market is more stable. Wages, salaries and cost of living expenses are all lower the farther west you go," he said. "There is a much better atmosphere over there between labor and management."

A particularly active municipality, Herning, notably has a publicly funded violinist who gives lessons free of charge to blue-collar workers at a local factory.

Although January this year seemed rampant with Danish merger fever, neither the government nor the business community sees the mergers as a panacea for the major problems facing Danish industry. One problem is taxes.

Continued on page 11

Nordic States See Denmark as Link to EC

By Alfred E. Pedersen

COPENHAGEN — The Danish parliament was discussing Nordic cooperation recently, as it always does shortly before the five Nordic countries hold their winter session to evaluate the past year's work and set the goals for the next 12 months.

As always, the debate touched on the goals of Nordic cooperation, including the question of how much help Denmark should be ready to give the others in strengthening their ties with the European Community.

At one point, the Danish minister for Nordic affairs, Thor Pedersen, said that "Denmark's most important task in Nordic cooperation right now is to act as bridge builder between the Nordic region and the Community."

Denmark is the only EC member in the Nordic group, which also includes Finland, Iceland, Norway and Sweden. These four are all members of the European Free Trade Association and all negotiated trade agreements with the EC in the 1970s.

Now, with the EC inner market planned for the end of 1992, they want something more than that if they are to ensure their exporters satisfactory access to all of Western Europe.

All rely collectively on EFTA — at least for the time being — as their negotiating forum with the Community and they are turning the Nordic Council of Ministers, their intergovernmental cooperation organ located in Copenhagen, into an information channel to feed infor-

How much help should the Danes offer?

mation on EC harmonization news into the individual capitals.

In this context, they are happy to have an EC member in their midst to help them understand what is happening in Brussels.

However, the Danes note that being a bridge-builder is not the same as being a matchmaker. The Nordic EFTA members, they say, will have to make up their own minds on what they want out of the EC and make their own approaches individually or through EFTA.

As Denmark's defense minister, Hans Engell, one of the stronger conservative voices in the Danish government, said, the Nordic organization is not the right forum. "We're not interested in sitting on both sides of the table," he said.

In Brussels, Denmark is often regarded as a beset EC member, worried that the growing range of EC activities could, in time, deprive it of its enlightened, Nordic way of life.

Denmark very much wants Nordic company in the EC, and the Danes regularly urge their neighbors to take the plunge.

But the matter is more complicated when seen from Oslo, Stockholm and Helsinki.

The Norwegian prime minister, Gro Harlem Brundtland, is determined to avoid a repetition of 1972, when a voters' rejection of EC membership in a referendum ripped political parties apart. Now, Norway wants everybody committed before embarking on a new approach.

With much of its economy global in nature, based on shipping, oil and gas production, metals and chemicals, Norway does a lot of business outside Europe and thus has relatively little to gain in trade terms.

But Norway, a member of the North Atlantic Treaty Organization, is very committed to

Continued on page 10

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Denmark: Signs of Strain / A Special Report

Banks Set Sights on Expansion Into European Financial Services

By Michael Metcalfe

COPENHAGEN — Danish banks, on the prowl for new business outlets in the European financial services sector, are setting their sights firmly on expansion in the European financial services sector.

Stepping up the retail and private aspects of their banking activities has become a natural reflex for the broad majority of the larger Danish banks, which are witnessing an increasing proportion of corporate customers turning to other sources for their financial needs.

All the three major Danish banks — Den Danske Bank, Copenhagen Handelsbank and PRIVATbanken — are following a strategy of expansion based on branching out into more broadly based financial service activities, particularly in the European Community member states.

This strategy, and the timing of its implementation, is in response to two factors: The swift progress toward the creation of a free market in financial services in the EC by 1992, and the abolition of all remaining foreign exchange controls in Denmark.

As of Oct. 1 last year, the capital transactions abroad of all Danish residents — private individuals and corporations alike — were totally freed of restrictions for the first time since 1931.

"Private Danish banks clients hitherto were barred from placing deposits or taking up loans in foreign currencies via Danish or foreign banks, nor were they allowed to purchase short-term foreign bonds," noted Ib Christensen, deputy director at Den Danske Bank.

Similarly, non-residents were not permitted to place Danish kroner-denominated deposits in Danish banks.

With the abolition of these restrictions, private Danish individuals have a much wider scope of capital transactions available to them, from Danish and foreign banks alike.

But as Mr. Christensen cautioned: "In connection with the abolition of the last remaining restrictions, there are grounds to be skeptical at the initial stage, where there has been a tendency to dramatize the consequences."

He cited in particular the hazards associated with taking up loans in low-yielding strong currencies, such as the Deutsche mark, which typically strengthen against the kroner and thus lead to exchange rate losses.

"Secondly, it would go against the grain of sound advice, if a bank neglects to ensure that private customers are fully aware of the risks associated with a foreign-currency loan," he added.

As a third reason, the banker noted that banks must continue to be adequately covered for the costs associated with raising and administering loans. "These costs — professional advisory services, efficient administration and eventual currency switches — are higher with foreign-currency loans than with Danish kroner loans," Mr. Christensen said.

But as the competition for a larger share of retail and private banking services among banks the world over heats up, the Danish

banks are being compelled to enter the market, paying greater attention to their retail customer base and learning to capitalize on a growing demand among Danes for private banking services.

In doing so, they are combining the merits of asset management with catering for the needs of high net worth individuals.

Each of the banks has pursued its own strategy in terms of build-

ing up its client base, offering its own brand of services and developing its own product mix. As the degree of banking emphasis varies from bank to bank, so does the proportion of profits stemming from the range of banking services offered by the individual banks.

For example, Denmark's largest bank, Den Danske Bank, has chosen to build up its presence in West Germany. Last year, it opened a branch in Frankfurt, its

first splash in creating universal branches in Europe.

The bank makes no secret of its determination to focus on West Germany and the European mainland in the coming years. Mr. Straarup noted: "In terms of investment, then Europe will be the place where we are making the largest investments."

Much of Danish banking's international strategy in the past decade or more has rested on the

service of the financial, tax and legal requirements of their private customers is not restricted to the Luxembourg marketplace or the banking halls of Lisbon, Madrid or Frankfurt. Nor are these services confined to banks alone.

Many Danish expatriates, businessmen and tax exiles, for instance, prefer the cultural and business environment of London. This marked preference for London has prompted a number of Danish financial consultancies, tax specialists and other auxiliary services to set up offices there.

One of these is Dragsted Advokat — the first Danish law firm to have offices both in London and Paris.

"After detailed discussions with the London offices of the major Danish banks and the Danish Embassy there, we got the clear impression that there was an increasing demand for a Danish law office in London," said Jan Møller, a partner in Dragsted, "More and more Danish enterprises are establishing themselves in England, and more and more Danes reside in England. At the moment, there are some 35,000."

A major part of the functions of Dragsted's London offices is to advise private clients on the legal, financial and tax aspects of both their individual and corporate presence in Britain, as well as how best to manage their interests in Denmark.

Having established a solid base for servicing the financial needs of

their clients in the private banking sphere, the Danish banks represented in Luxembourg have embarked on a new phase in their drive to win over the wealthy: the provision of improved and more specialized backup services.

The services offered by the Danish banks represented in the Grand Duchy include discretionary and advisory portfolio management, loans using all types of securities and cash management.

"Of course, all the banks involved in the private banking sector offer broadly the same kind of services," noted the manager of one Danish banking subsidiary in Luxembourg, "but the distinction lies in the way you sell and then handle these services after having sold them, because it's not too difficult to attract clients — it's harder to keep the clients."

Widening the palette of investment instruments available to the private customer, as well as improving the quality of existing services, are also key objectives for the Danish banks. "We are currently in the phase of trying to improve the quality of our private banking services, and also the range of services, adding on other products, including investment funds, the latter being very much tied in with the development of Luxembourg as a center for 'luxury' trusts," said the private bank head of another major Danish subsidiary operating in Luxembourg.

The private banking divisions of Danish subsidiaries and branches in financial centers such as Luxembourg cater not only to servicing the strictly financial needs of the high net worth individual, expatriate or tax exile. Many are also booking the advantages gained from the provision of legal and tax advisory services.

But servicing the financial, tax and legal requirements of their private customers is not restricted to the Luxembourg marketplace or the banking halls of Lisbon, Madrid or Frankfurt. Nor are these services confined to banks alone.

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Trading on the Copenhagen Stock Exchange.

Stock Exchange Hits New Records

By Christopher Follett

COPENHAGEN — Nineteen-eighty-eight was a bumper year for Nordic bourses, which turned in some of the best performances among world markets, with a rise of 49 percent in Copenhagen.

Official turnover in both stocks and bonds on the Copenhagen Stock Exchange jumped to record levels last year despite a crisis-ridden economy, with ongoing balance of payments shortfalls and the world's highest per-capita foreign debt, running at around \$8,350.

After a strong autumn, spectacular rises in shipping shares pushed the stock market index to a record-closing high on the last day of trading in 1988, finishing at 271.81, up 2.72 points from the previous record set the day before. The bullish trend continues.

"There is a major interest because shipping companies are expecting 1989 to be a very good year, with good prospects for a solid increase in international trade," one dealer said.

The overall market index in Copenhagen ended 1988 an impressive 49 percent above its level a year earlier, while the shipping sub-index showed the biggest advance of any sector at 126 percent. Total turnover including unit trusts rose 36 percent to 4.13 billion kroner (\$570 million) last year, with market value up from 13.3 billion kroner to 34.4 billion kroner.

Share dealing by open outcry came to an end on the Copenhagen bourse in September last year when the bourse switched to electronic dealing. Under the new system, all deals completed have to be reported to the stock exchange for registration within 90 seconds. The compulsory registration of security transactions was approved by the parliament despite

objections from some business quarters that registration of shares might help outsiders gain a dominating influence in companies.

Copenhagen's new electronic dealing and information system in stocks and bonds — sparked by the international trend toward securitization of debt and lending instruments — coupled with fiercer competition in the areas of traditional banking has made Danish banks more dependent on developments in the securities market. They have been obliged to seek earnings from related areas such as stockbroking, portfolio management, private investment advisory services and mergers and acquisitions.

"The desire to get the bulk of turnover in bonds and stocks back to the stock exchange, coupled with the need for an efficient and up-to-date trading system, led to the decision to establish an electronic trading system in Copenhagen," said the president of the exchange, Christen Sørensen. "The live auction method could not cope with exchange turnover."

The electronic system marked the end of a monopoly held by 27 stockbroking companies. Access is still limited to stockbroking firms, but a 1986 law lifted restrictions on who could own these.

In 1988, there were 47 stockbroking companies, of which 20 were companies set up by one or more banks, while seven of the old firms had banks as co-owners. Insurance companies must buy into stockbroking through affiliated companies as they are forbidden by Danish law from direct involvement in business other than insurance.

Five new companies were admitted to the Copenhagen Stock Exchange in 1988, the same as in 1987. A total of 267 companies and 31 associations were listed at the end of last year.

Bond values rose in Copenhagen by almost 16 percent in 1988, after a mere 6.7 percent rise in the previous year. Bond turnover rose to a

record 988 billion kroner in market terms from 102 billion kroner in 1987, a staggering 866 percent increase. About two-thirds of turnover was in the 9 percent 2006 benchmark bond. There were 2,179 bonds listed at the end of last year, which, with a bond turnover of 5,296 billion kroner, makes Copenhagen one of the top five bond markets in the world in volume.

In January this year electronic screen-based trading on Denmark's new options and futures market went on line. The system — unique in the West, the Danes claim — was an instant success. It allows simultaneous trading in options and futures and stocks and bonds, the underlying financial instruments. With electronic trading, market-makers can enter quotes and trade on single screens, bringing Denmark closer to a full electronic market.

The Danish options and futures market opened last September with trading done by telephone or open outcry and an average daily turnover of 1.2 billion kroner, with about 1,000 contracts.

Copenhagen's new electronic bourse operation raises the possibility of closer cooperation with other Nordic stock exchanges, which are also booming. Already Swedish and Norwegian broking firms and finance companies are entitled to trade under the new system, and further Nordic infiltration is forecast in Copenhagen after last year's easing of restrictions on foreign share ownership by the Swedes, leading some analysts to predict the eventual establishment of a unified Nordic stock market.

The Copenhagen bourse is, however, no newcomer to electronic conversion. In 1983, Denmark became the first country to discard physical bonds altogether, converting its paper-based bond registrations into a computerized electronic system at a new paper securities center — the Værdipapircentralen.

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Accord Is Likely in Union Talks

By Philip H. Bay

ARHUS — Everybody in Denmark agrees, management as well as labor, that the country must become more competitive and keep costs down if it is to avoid having their comfortable life-style intruded upon.

What they cannot seem to agree upon is who should pick up the tab.

With the exception of West Germany, the average worker in Denmark earns more than his counterpart in the other member states of the European Community.

While high labor costs and the state's heavy taxation have influenced the current contract negotiations taking place between the unions and management, most analysts believe an agreement will be reached and a threatened national strike will be avoided.

Even if wage negotiations fail this week, a nationwide strike cannot be called until Monday. And the independent Conciliation Board, led by Mette Kofod Bjørnsen, can postpone a strike and negotiate with labor and management for two 14-day periods.

The main function of the institution is to postpone a national strike as long as possible while negotiating a wage settlement that can be used as a precedent for the entire labor market.

Last weekend, the chief conciliator negotiated wage increases for minimum wage-earners in the cleaning and janitorial service sectors, retail and metal industries. Although a few will receive up to a seven kroner (about \$1) an hour increase over a two-year-period, the average worker will receive an increase of about one kroner an hour.

Industry offered blue-collar trade unions an increase of one kroner an hour by the end of last week. Negotiations finally broke down with 25 ore (6 cents) separating them.

"It is clear that we are now preparing ourselves for a strike," said the chairman of the Metalworkers' Union, Georg Foulsten, after negotiations with the union's general secretary, Finn Thorgrinsson, and the National Employers' Association leader, Hans Skov Christensen, broke down on Monday. "We were told that we should go home and think," said Mr. Thorgrinsson.

Sources here still believe, however, that a settlement will be possible before Monday.

"I think that management and labor will come to an agreement that will be good for our country," said Paul Monggaard, spokesman for the Landsorganisation, the national trade union confederation.

"We are well aware of the cost levels of other OECD countries," he said, referring to the Organization for Economic Cooperation and Development, "and that our competitiveness should be better and not deteriorate."

Stability in the work force remains, however,

cally important industries seemed the perfect recipe for uninterrupted industrial growth.

Danish industry, on the other hand, has remained 99 percent private. With the exception of the shipyards, industry has sustained long-term growth without direct government coordination or subsidies.

Unions have apparently been satisfied with having a Social Democrat minority government at the helm, expanding the public sector, while leaving the private sector pretty much alone. Instead of having state-owned enterprises generate tax revenue, yet rarely profits, for the growing public sector, Social Democrats kept industry private — albeit for a price.

If negotiations do collapse, Prime Minister Poul Schlüter has made it clear that the government would intervene to avoid a nationwide strike.

And according to a recent opinion poll, the vast majority of Danes would support government intervention.

Of the eight parties represented in the Folketing, or parliament, only supporters of the Socialist People's Party were against intervention. The poll also showed that 44 percent of the workers questioned would support intervention rather than a strike. Only 33 percent of the workers were against intervention.

In addition, the poll showed that a majority of blue-collar and white-collar workers would be willing to accept a reduction in income tax, rather than increases in pay, if it meant that real wages would remain stable.

Stability in the work force remains, however,

an asset that Danish industry has been able to build on. The last nationwide strike in the country was in 1973. In 1985, there were a few legal strikes that lasted little more than a week.

However, EC investors and industry have not been impressed by this serenity. According to the Danish National Bank, the central bank, the total amount of EC investment in Denmark has fallen from 48.2 percent to 19.4 percent in the last 10 years. The EC's total investment in the past 3.5 years was only 620 million kroner (\$8.6 million).

Labor Minister Henning Dyremose believes that Danish labor still lacks a fundamental understanding of the consequences of 1992 and the single EC market. "The unions claim that they are adjusting, and I admit that I have begun to see some willingness on their part," he said. "In practice, though, I don't think the unions are prepared. There is a wide gap between the understanding of the leadership, and the workers out in the factories."

The minister fears that the 1987 negotiated settlement of a reduction in the work week to 37 hours will eventually damage the country's competitiveness with other EC member states.

"The problem was that we did not intervene in 1987 when the negotiations took place solely between business and labor. We in the government would have preferred more flexible working conditions instead," Mr. Dyremose said.

PHILIP H. BAY is a freelance journalist based in Aarhus.

Acting as Bridge to EC

Continued from page 9

European defense and, if it sees this becoming more of a European Community concern, it will want to follow the trend and join. "It would be relatively easy for Norway to join," said one source. "They might have some problems with their fishing and agriculture, but on the whole, they wouldn't have to adapt very much."

In Sweden, the major exporters, dominated by such big names as Volvo, Saab, Electrolux and Asea Brown Boveri, consider that there is little choice, that market shares are paramount. Prime Minister Ingvar Carlsson can talk about Swedish neutrality, they argue, but there is one neutral, Ireland, already in the Community.

Despite the current official rejection of EC membership, Sweden could make up its mind before Norway reaches a consensus. The trade unions are studying the implications and, if they came to the same conclusion as industry, it would not be difficult to convince the ruling Social Democrats that that would decide the issue.

Denmark is helping the process in a number of ways. The Foreign Ministry has an EC expert stationed at the Nordic Council of Ministers staff in Copenhagen to help evaluate EC directives and explain their implications.

Denmark is also helping Nordic industry — and its own poor employment picture — by serving as an important investment ground for Sweden, Finland and Norway in particular.

A lot of Nordic cooperation involves forming product standards, safety requirements, testing procedures and so on, either within Nordic scientific bodies or within the European CEN, CENELEC or CEI committees in Europe, which also includes EFTA members.

Danish product specifications often form the basis for others' standards, so there is a chance for a united Nordic approach on these levels. For example, a Danish building components committee engaged in the work of an EC standing committee has urged shifting building codes from the EC to CEN, where the other Nordic states are represented.

But can all these efforts help open the doors for EC membership and does the EC want any new members?

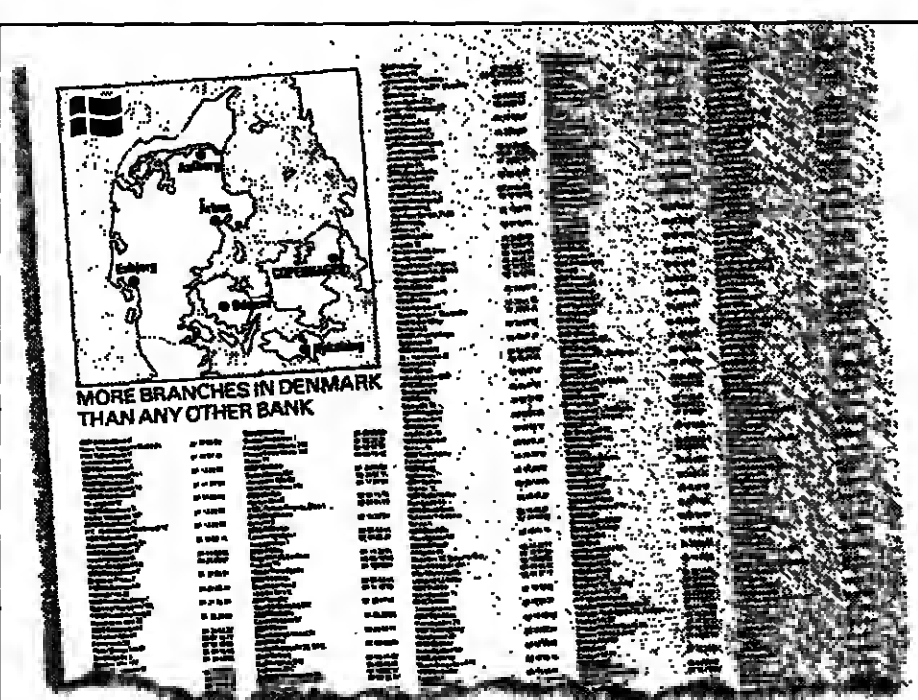
One Danish expert does not believe the EC has closed its membership books. "The EC has never been so active as it has the past year or so, after it got its latest members, so there's little to the argument that the bigger the organization, the more unwieldy it becomes."

ALFRED E. PEDERSEN is a free-lance journalist based in Copenhagen.

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Denmark: Signs of Strain / A Special Report

Farmers Facing Multilevel Crisis

By Christopher Follett

COPENHAGEN — Agriculture, once the jewel in Denmark's economic crown and still very much a key factor in the country's infrastructure, is in crisis.

The overall facts are that Denmark is Europe's biggest producer and exporter of farm produce, notably animal products, relative to population. It is the world's top exporter of pork meat and among the world's top four suppliers of butter and cheese.

With two thirds of Denmark's land area devoted to farming, ultra-efficient Danish farmers, who make up 6 percent of the work force, produce enough food for 15 million people, three times the country's population. All in all, 25 percent of Denmark's exports derive from the powerful agricultural sector, which employs 260,000 people on 90,000 farms.

Annual Danish agricultural sales are currently running at 54 billion kroner (\$7.5 billion) or around 6 percent of the gross national product. The main export markets are West Germany, Britain, Italy, France, Japan and the United States.

But, over and above falling exports and prices, fears of a trade

war with the United States and a grave debt problem, two major challenges face the Danish agricultural sector today — planned

cultural Council, the umbrella organization grouping all the country's farmer organizations. "Although we see no alternative

Planned EC reforms and the cost of new anti-pollution measures pose two major challenges.

reforms to the European Community's Common Agricultural Policy and a homegrown threat: ambitious government anti-pollution programs to curb emissions into Denmark's inland and offshore waters from agricultural fertilizers.

"The European Community's budgetary accord last year, which included cuts on farm production, mainly affecting cereals, oilseeds and vegetables, cost Danish agriculture around 1 billion kroner annually, at a time when the sector is in acute difficulties economically," said Hans Kjeldsen, the president of Denmark's Agri-

cultural Council. "Out of net income, Danish farmers pay 60 percent in interest, compared to around 20 percent in the Netherlands."

The Danish Agricultural Council recently protested European Commission proposals for further cuts in vegetable, cereal and oilseed prices as part of the EC's 1989 agricultural accord. Fears loom also of the consequences for

Danish bacon and meat producers of a full hormone trade war between the EC and the United States. Denmark exported 2.5 billion kroner worth of pig meat to the United States in 1987, half of it tinned products, amounting to 14 percent of its total meat exports. In addition to the problems of adjustment and adaptation within the EC, the Danish farmer is having to contend with a domestic problem in environmentally conscious Denmark — anti-pollution costs imposed by the government.

The latest package of government anti-pollution plans calls for statutory limits and drastic cuts in nitrogen and phosphorous emissions, the grassing over of fallow fields in winter to reduce fertilizer seepage and vast investments in liquid manure and slurry tanks on farms. This would impose a further 4 billion kroner burden on the country's already hard-pressed farmers, with no prospect of any financial return.

Under pressure from the Agricultural Council, the Danish government last summer produced an emergency aid package to help the troubled farm sector. The measures provided more than 1 billion kroner of state aid this year to ease the 23 billion kroner of debt owed by more than 16,000 farms, partly through reduced interest loans.



Denmark's ultra-efficient farmers produce enough food for 15 million people, three times the country's population.

The package was followed up in January by deregulation legislation permitting up to 500 farms to operate experimentally as limited liability companies, enabling them to attract capital from outside investors.

The general purpose of the liberalization is to make it easier for farmers to acquire more land and thus create larger and more viable holdings.

All is not dark, though, as Dan-

ish agriculture looks for untapped markets in South Korea and the Soviet Union. It is also experimenting with "niche" products such as oven-ready dishes and frozen chicken cuts, as well as devel-

oping alternative activities such as mink, deer and fish farming and eel and compost worm cultivation.

CHRISTOPHER FOLLETT writes for The Times of London.



Enzyme fermenters in Novo's Copenhagen factory.

Looking to Jutland

Continued from page 9

Mr. Willehn made it clear that the gross rate of corporate tax — 50 percent — had to come down in the near future. He also noted that foreign investors often shunned Denmark because they were not familiar with the system.

"We probably have the highest rate of personal income tax and value-added tax in the Community," he said. "Nevertheless, the net tax paid by corporations in Denmark is quite low because of rather lucrative tax deductions."

Nils Helvig Petersen, the minister of economics, agreed that corporate and personal income taxes should eventually be brought in line with that of other EC countries. When asked what his government would do to compensate for the lost in revenue, he said that the cabinet would present a comprehensive report in June on how it plans to tackle the problem of taxation after 1992. Mr. Petersen added that the government would not be able to drastically reduce VAT, which is 22 percent, in the foreseeable future.

"The government could easily lose up to 40 billion kroner (\$5.6 billion) in revenues," Mr. Petersen said. "This would increase consumption and deteriorate an already poor balance of payments situation."

Ole Andreasen, vice president of the Carlsberg Group, the brewers, pointed out, however, that his products were taxed 600 percent more in Denmark than in West Germany.

"It is a serious problem for us. We have a 159 ore [20 cents] excise tax on our beer per bottle in Denmark," he said. "In Germany, the same bottle of beer is only taxed 18 ore."

Carlsberg was, nevertheless, able to increase profits by 12 percent last year to 924 million kroner.

The discussion of high taxes has yet to dampen the spirits of many

smaller Danish companies that continue to find a market niche far beyond the shores of the North Sea.

With the help of direct governmental encouragement, windmill production has joined the fold of high-tech exports. During the 1980s, smaller companies such as Vestas and Windmatic have sold more than 4,500 windmills in California alone. According to government sources, lucrative tax shelters in Denmark and the United States made this expansion possible.

A newer windmill market recently started in India seems promising, with more than 100 already sold. Merger fever has also swept over this vulnerable business sector. Vestas Wind Systems A/S and Dansk Vindteknik A/S formed Vestas-Danish Wind Technologies this year, strengthening Denmark's 50 percent grasp of the world market.

Despite the government's proclamations about the EC and 1992, most major Danish corporations have long since become international. Lego, East Asiatic Company, Carlsberg, Danfoss and Portland Cement have overseas and foreign commitments, which often far outstrip earnings from the Danish market.

Business leaders and government officials agree that Denmark will benefit from the internal market after 1992.

"The eventual harmonization taking place after 1992 will at the very least mean that we can be on equal terms with our European competitors," said the president of Skandinavisk Tobakskompagni, Hugo Schroder.

Mr. Willehn agreed with Mr. Schroder. "As a small country within the Community, we need to have the existing trade barriers lifted," he said. When asked which countries were more restrictive than Denmark, he said that "with the exception of Luxembourg, more or less all of them have more trade restrictions than we do."



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WHERE TO GO IN DENMARK

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DELICIOUS QUICK LUNCH & "à la carte"
12.15 p.m. DINNER 5.30-10.30 p.m. SPEC.
FLAMBED DISHES. Late dining 10.30 p.m.
4.30 a.m. Res. 45-1-129705 daily.
Vester Farnevejsgade 33, 1625 Copenhagen V.

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Exclusive restaurant with exquisite cuisine
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6.00 p.m. Closed Sunday.
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General restaurant, excel. wine. Central
Dr. Tveestegade 43. +45-1-150554.

NYSE Most Actives				
Vol.	High	Low	Last	Chg.
TAIEX	3299	3299	3299	0
IBM	1770	1770	1770	0
AT&T	1660	1660	1660	0
SPY	1240	1240	1240	0
DIS	1170	1170	1170	0
GE	1170	1170	1170	0
AMER	1070	1070	1070	0
...

Market Sales	
NYSE 4 a.m. volume	147,430,000
NYSE 4 a.m. volume close	147,430,000
NYSE 4 a.m. volume	147,430,000
NYSE 4 a.m. volume	147,430,000
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NYSE 4 a.m. volume	147,430,000
NYSE 4 a.m. volume	147,430,000
NYSE 4 a.m. volume	147,430,000

NYSE Index				
	High	Low	Close	Ch'g.
Composite	162.75	162.80	162.80	+0.05
Utilities	162.75	162.80	162.80	+0.05
Finance	162.75	162.80	162.80	+0.05
...

Odd-Lot Trading in N.Y.			
	Bids	Sales	"Sell"1
Feb. 22	217,564	587,649	4,128
Feb. 24	224,837	567,861	3,363
Feb. 26	222,144	574,171	4,128
Feb. 28	225,907	652,762	2,363
Feb. 21	227,651	696,771	19,321

*Included in the sales figures

Tuesday's NYSE Closing

Via The Associated Press

AMEX Diary	
Advanced	1.00
Declined	1.00
Unchanged	1.00
Total Issues	1.00
...	...

NASDAQ Index	
Composite	1.00
Utilities	1.00
Finance	1.00
...	...

AMEX Most Actives	
Vol.	High
...	...

Dow Jones Bond Averages				
Class	Close	Chg.	Chg. %	...
Bonds	88.12	+0.12	+0.14	...
Utilities	88.12	+0.12	+0.14	...
Industrials	88.12	+0.12	+0.14	...

NYSE Up in Moderate Trading

UNITED PRESS INTERNATIONAL

NEW YORK — Stock prices closed higher Tuesday on the New York Stock Exchange after moderate trading, as the market benefited from stability in other financial areas.

The Dow Jones industrial average, which had risen 4.82 points on Monday, advanced 8.03, to close at 2,358.39.

Broader market indicators also climbed. The New York Stock Exchange index edged up 0.54, to 162.80, and Standard & Poor's 500-stock index rose 1.04, to close at 288.86. The price of an average share added 11 cents.

Advances led declines by about an 8-5 ratio. Volume rose to 147.43 million shares from 139.90 million traded on Monday.

Investors were concerned about interest rates and inflation after the recent rise in the discount rate and news of sharp gains in January consumer and producer prices.

Before the market opened, the government reported that fourth-quarter economic growth, as measured by inflation-adjusted gross national product, was maintained at 2 percent in revised estimates. But while growth was unchanged from the estimate released a month ago, the implicit price deflator, an inflation indicator that is a component in the GNP figures, was revised up to 5.3 percent from 4.7 percent. The deflator rose 3.4 percent for all of 1988.

Monte Gordon, research director of Dreyfus Corp., said, however, that investors were filtering money back into the market by way of some bargain hunting after the Dow's 79.28-point slide last week.

"We're seeing some signs of stability, although the market will not rebound vigorously," he said. "Right now, the market is trying to hold its ground."

John Burnett, senior vice president and head trader at Donaldson, Lufkin & Jenrette Corp., credited stability in the dollar and bond markets as lending some support to stocks.

However, he said buying interest appeared to be minimal because of the stock market's unclear future in the face of possible further rises in interest rates.

"The market's been oversold for a couple of days now, but investors are being very cautious," he said.

Mr. Gordon predicted that the Dow industrials would settle into a short-term trading range of 2,300 to 2,400.

He said the potential for higher interest rates was likely to keep buying activity in check.

Texas Utilities, ex-dividend was the most active NYSE issue, ending unchanged at 28.

Tosco followed, rising 1/4 to 4 1/4. Embair, ex-dividend, was third, falling 1/4 to 40 1/4.

AT&T climbed 1/4 to 30 1/4. IBM dropped 1/4 to 121 1/4.

Among other blue chips, Merck rose 1 1/4 to 63 1/4. International Paper rose 1/4 to 46 1/4. General Motors rose 1/4 to 85 1/4 and American Express rose 1/4 to 29 1/4. Eastman Kodak fell 1/4 to 46 1/4.

Prices closed higher in subdued trading on the American Stock Exchange.

The American Stock Exchange index climbed 1.05, to 322.47. The price of an average share added 4 cents. Advances led declines by about a 3-2 ratio. Volume totaled 9.14 million shares, up from 9.04 million shares traded on Friday.

Dow Jones Averages				
Open	High	Low	Last	Chg.
Indus	2358.39	2358.39	2358.39	+8.03
Comp	162.80	162.80	162.80	+0.54
...

(Continued on next left-hand page)

Tuesday's NYSE Closing

Tables include the following prices
as to the closing on Wall Street
and do not reflect late trades elsewhere.

(Continued)

10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100										
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NYSE High-Lows

NEW HIGHS 34									
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U.S. Futures

Via The Associated Press

Feb. 28

Open High Low Close Chg.

Grains

WHEAT (CBOT)

COFFEE (NYCSE)

SUGAR (NYCSE)

COCOA (NYCSE)

COPPER (COMEX)

SILVER (COMEX)

PLATINUM (NYMEX)

PALLADIUM (NYMEX)

GOLD (COMEX)

U.S. TREASURY (CBT)

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U.S. Futures

Via The Associated Press

Feb. 28

Open High Low Close Chg.

Grains

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Unilever's Profit Grew 9% in 1988

British-Dutch Combine Sees Slight Slowdown This Year

Compiled by Our Staff From Dispatches

LONDON — The Unilever group, the British-Dutch consumer-products conglomerate, reported Tuesday a 9.0 percent rise in 1988 combined pretax profit, to £1.45 billion (\$2.53 billion) from £1.33 billion the year before.

Unilever, which earlier this month announced the purchase of the U.S.-based Fabergé and Elizabeth Arden cosmetics and toiletries businesses for \$1.55 billion, said its fourth-quarter pretax profit rose 25.2 percent, to £383 million from £306 million in the 1987 quarter.

The company, whose products range from detergents to frozen foods, is one of the world's top consumer concerns. It reported total 1988 sales of £17.12 billion, up 3.4 percent from £16.55 billion the year before.

In Dutch guilders terms, fourth-quarter profit rose 25.5 percent, to 1.28 billion guilders from 1.02 billion, making 5.26 billion guilders for the year, up from 4.42 billion in 1987, or a 19.0 percent rise.

The chairman, Michael Angus, said 1988 "was another year of substantial progress throughout our business, reflecting our emphasis on profitable growth."

The results were in line with market expectations and Unilever PLC shares fell 12.3 pence on the London Stock Exchange, to 523 pence. In Amsterdam, Unilever NV stock rose a sharp 2.50 guilders, to 129.00 at the opening, but eased to 126.60 guilders after the results.

In Rotterdam, the co-chairman, Floris Maljers, said he expected

slower profit growth in 1989, noting that last year's improved results were partly due to a major reorganization of the conglomerate's activities, which started in 1984.

Unilever said internal growth remained its priority, though it noted acquisitions during 1988 totaled \$630 million. A number of strategic areas had been targeted for investment, the group said, including the skin-care and fragrances markets.

The Fabergé purchase from Riklis Family Corp. of the United States will add key brands including Fabergé, Brut, Aquanet, Elizabeth Arden and the prestigious Chloé and Lagerfeld perfumes to Unilever's range and will pit it against L'Oréal of France for the No. 1 position in the global personal-products market.

Mr. Angus said food was another area for expansion, particularly in the high-quality sector. Bakery products, catering, cleaning-systems and specialty chemicals also have growth potential.

He said growth in the United States in 1988 was at a more normal level in the wake of significant volume increases, helped by acquisitions and brand launches over the last few years. Unilever is continuing to build up its business in Japan and to invest in other Far East markets, he said.

Combined operating profit in Europe rose 12.3 percent, to £886 million for the year from £789 million the year before, while profit in North America grew 17.6 percent, to £281 million from £239 million.

Earnings elsewhere in the world advanced marginally, to £349 mil-

lion from £345 million, making an operating total of £1.52 billion, up 10.9 percent from £1.37 billion.

Unilever PLC, the British-Dutch arm of the group, reported a 24.3 percent increase in per-share earnings for the fourth quarter, to 12.38 pence from 9.96 pence, making 44.68 pence for the year against 40.54 pence. The company declared a final dividend of 9.51 pence for a 1988 total of 13.40 pence, up from 12.09 pence in 1987.

Unilever NV, the Dutch side, said per-share earnings rose 35.9 percent, to 2.99 guilders from 2.20 guilders for the quarter, making 10.78 guilders for the year, up from 8.97 in 1987. It declared a final dividend of 3.06 guilders making a total of 4.29 guilders, up from 3.62.

Mr. Maljers, the co-chairman, said Unilever is now ready to start a new phase of development. This would involve further strengthening of the core activities as well as branching into new areas, he said.

In foods, the company would focus on quality convenience foods. "By quality, we mean food that is healthy, than can be preserved easily and tastes good," he said. "If you look at our acquisitions in 1988 you can see that we are already moving in this direction."

Unilever acquired the French chilled-meals concern Plaisier & la Carte in 1988, and earlier this month, it announced it intended to buy the Dutch convenience-meals maker Profod.

Another important area of expansion is food and ingredients for industrial customers, Mr. Maljers said. (Reuters, AFP)

Year	1988	1987
Revenue	121.1	117.7
Profit	64.0	70.0
T: Trillion		

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Company Results

Revenue and profits in millions, unless otherwise indicated

Year	1988	1987
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GT DEUTSCHLAND FUND

Société d'Investissement à Capital Variable
2, Boulevard Royal, L-2953 LUXEMBOURG
R.C. Luxembourg B-25023

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN to shareholders in GT DEUTSCHLAND FUND that as the quorum required at the Extraordinary General Meeting held on February 23, 1989 was not obtained, a second Extraordinary General Meeting will be held at the registered office of the Fund on March 30, 1989 at 3:00 p.m. to consider the following agenda:

1. To amend the Articles of Incorporation so as to adjust such Articles in order to satisfy the requirements of the Law of March 30, 1988; and
2. To amend the Articles of Incorporation so as to make certain further adjustments to the Articles, including the removal of the requirements for notices to be sent to registered shareholders by registered mail, to amend the facility to reduce or defer redemption requests in particular circumstances, to provide for the annual distribution of at least 85 percent of the net investment income and to revise the fee structure.

Shareholders are advised that no quorum is required at the Extraordinary General Meeting and that decisions will be taken at a majority of 2/3 of the shares present or represented at the meeting.

THE BOARD OF DIRECTORS

GT UK SMALL COMPANIES FUND

Société d'Investissement à Capital Variable
2, Boulevard Royal, L-2953 LUXEMBOURG
R.C. Luxembourg B-25066

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN to shareholders in GT UK SMALL COMPANIES FUND that as the quorum required at the Extraordinary General Meeting held on February 23, 1989 was not obtained, a second Extraordinary General Meeting will be held at the registered office of the Fund on March 30, 1989 at 3:00 p.m. to consider the following agenda:

1. To amend the Articles of Incorporation so as to adjust such Articles in order to satisfy the requirements of the Law of March 30, 1988; and
2. To amend the Articles of Incorporation so as to make certain further adjustments to the Articles, including the removal of the requirements for notices to be sent to registered shareholders by registered mail, to provide for the annual distribution of at least 85 percent of the net investment income and to revise the fee structure.

Shareholders are advised that no quorum is required at the Extraordinary General Meeting and that decisions will be taken at a majority of 2/3 of the shares present or represented at the meeting.

THE BOARD OF DIRECTORS

GT US SMALL COMPANIES FUND

Société d'Investissement à Capital Variable
2, Boulevard Royal, L-2953 LUXEMBOURG
R.C. Luxembourg B-25176

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN to shareholders in GT US SMALL COMPANIES FUND that as the quorum required at the Extraordinary General Meeting held on February 23, 1989 was not obtained, a second Extraordinary General Meeting will be held at the registered office of the Fund on March 30, 1989 at 4:00 p.m. to consider the following agenda:

1. To amend the Articles of Incorporation so as to adjust such Articles in order to satisfy the requirements of the Law of March 30, 1988; and
2. To amend the Articles of Incorporation so as to make certain further adjustments to the Articles, including the removal of the requirements for notices to be sent to registered shareholders by registered mail, to amend the facility to reduce or defer redemption requests in particular circumstances, to provide for the annual distribution of at least 85 percent of the net investment income and to revise the fee structure.

Shareholders are advised that no quorum is required at the Extraordinary General Meeting and that decisions will be taken at a majority of 2/3 of the shares present or represented at the meeting.

THE BOARD OF DIRECTORS

REPUBLIC OF IVORY COAST

Tender No. 2920/DMP

1. The National Telecommunications Office of the Ivory Coast has obtained a loan from the I.B.R.D., in various currencies, to finance the cost of the project concerning the refurbishing of the equipment and the strengthening of the maintenance of the services.

It is planned that a portion of the funds granted for this loan will be used to carry out payment for a project covering the supply and installation of a system for the control of the radio-electric programmes on the Ivory Coast.

2. The National Telecommunications Office invites, with this Tender, those candidates who are allowed to take part to present their bids under sealed envelope for the supply and installation of a control system of the radio-electric programme within the N.T.O.

3. The candidates who are allowed to bid can obtain further information and examine the Tenders files in the Office of the Chef de Services des Marchés, located on the 12th floor of POSTEL 2001, door 12-07. Phone: 34.67.61 or 34.68.12 - Telex No. 23790 or 23750, ABIDJAN.

4. Any candidate who is allowed to bid and who is interested in the present Tender can buy a complete set of Tender documents, by writing to the above-mentioned Department, or after consulting the Charge Books, for a payment of around 200,000 CFA francs, which will not be paid back.

5. Each bid must be accompanied by a deposit on tender of 1.5% of the total amount of the bid. This deposit must be put forward at the same time as the Bids to the Service des Marchés, Immeuble POSTEL, 2001, door 12-07, ABIDJAN-CI at the latest on the 13th of March 1989 5.00 p.m. imperatively.

6. The files will be opened in the presence of the bidding representatives who wish to be present at the opening on the 14th of March 1989 at 3.00 p.m. at La Rotonde de la Cité Financière, in ABIDJAN-PLATEAU.

NTT Sees Fall In 1990 Profit

Reuters

TOKYO — Nippon Telegraph & Telephone Corp. estimated Tuesday that current profit in the year to March 31, 1990, would fall to 435 billion yen from 496.74 billion yen in 1987-88.

NTT made the forecast in its operating plan submitted to the Posts and Telecommunications Ministry for approval.

NTT's president, Haruo Yamaguchi, said earlier this month the communications giant's current profit to March 31 this year would not decline from 1987-88, though NTT had earlier forecast a fall to 425 billion yen.

An NTT spokesman attributed the lower 1989-90 forecast to increased competition from recent entrants into the domestic telecommunications market.

STC Pretax Profit Up 22%

Reuters

LONDON — STC PLC, the British computer and telecommunications concern, said Tuesday that pretax profit for 1988 had risen 22.3 percent, to £230 million (\$400 million) from £188 million.

The company said the results, which were slightly higher than market expectations, were the result of strong growth in orders and continuing success with cost-cutting measures.

Revenue for the year rose 14.0 percent, to £236 billion from £207 billion. Revenue outside Britain grew by 30 percent in 1988 after a flat 1987, the company reported.

STC said operating profit rose 16.8 percent, to £234 million from £191.2 million. At year-end, STC had £283 million in cash, against £196 million at the end of 1987.

ICL, its computer and data-processing subsidiary, raised operating profit despite higher research and development spending, the compa-

ny said. Its strongest markets in Britain were in financial services and local government. Internationally, the subsidiary did best in North America, Africa and the Middle East.

Orders for submarine cables, in which STC specializes, rose fourfold and contributed to a 50 percent improvement in sales of its communications division, STC said.

Telecommunications sales grew by more than 13 percent despite reduced revenue from the phasing out of STC's TX-4 exchange. It is continuing strategic development with Northern Telecom on flexible access transmission systems, STC said.

Despite a rise in product development costs, operating profit in this sector grew 22 percent, it said, to £90 million.

Shares in STC slipped one penny on the London Stock Exchange, falling to 308.

France, Belgium Vie For Producer Groups

Reuters

LONDON — France and Belgium have begun vying to lure the major international sugar and wheat organizations away from London to set up their headquarters in Paris or Brussels.

Jean Parrotte, head of the International Wheat Council, said Monday French and Belgian government officials had made attractive offers that would have to be carefully studied.

The wheat council, which represents 48 wheat producing and consuming nations, and the International Sugar Organization, which has 56 members, have said they might be forced to move their headquarters when the lease on the premises they share in London runs out at the end of this year.

Soaring commercial rents in London mean they could face a

threefold increase in rent for their building, officials from both organizations said.

The British government has so far refused to offer a subsidy so they will probably be forced to move after the end of 1989, the two organizations said.

France is offering rent-free accommodations in Paris for five years, while Belgium is promising low, stable rent, with an element of subsidy.

London is also host to international coffee and cocoa organizations, which have just negotiated new leases on their joint headquarters that run until March 1991.

Officials said a decision by the wheat and sugar organizations to leave London while the cocoa and coffee organizations remain would cause problems for some member countries, like Brazil and Cuba,

which have the same representatives appointed to all four organizations.

Bruno Caron, a French government representative, said Paris might be willing to accommodate the coffee and cocoa organizations as well if it proves difficult for them to maintain their current premises in London.

The International Wheat Council monitors the global grain trade. Its forecasts for world grain output are closely followed by major commodity exchanges.

The International Sugar Organization is largely a central meeting place for major sugar importers and exporters to discuss the world sugar trade. Since the expiration of the International Sugar Agreement in 1984, it has had no powers to control the market by asking exporters to limit shipments.

This advertisement is issued in compliance with the requirements of the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange").



ALLIED LONDON PROPERTIES Plc

(Incorporated and registered in England No. 104394)

Placing of a further tranche of £35,000,000
10% per cent. First Mortgage Debenture Stock 2025
at £101.320 per cent., payable in full on acceptance

The Council of The Stock Exchange has granted permission for the whole of the above Stock to be admitted to the Official List.

In accordance with the requirements of the Council of The Stock Exchange at least two market makers will be offered participation in the marketing of the Stock.

Listing Particulars of the Stock will be available in the Extal statistical service from 27th February, 1989 and copies may be obtained during usual business hours up to and including 1st March, 1989, for collection only, from the Company Announcements Office of The Stock Exchange, 46 Finsbury Square, London EC2A 1DD and up to and including 13th March, 1989, from:

Allied London Properties Plc,
Allied House,
26 Manchester Square,
London W1A 2HU

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN

J. Henry Schroder Wagg & Co. Limited,
120 Cheapside,
London EC2V 6DS

Panmure Gordon & Co. Limited,
9 Moorfields Highwalk,
London EC2Y 9DS

Lloyds Bank Plc,
Registrar's Department,
Goring-by-Sea,
Worthing,
West Sussex BN12 6DA

27th February, 1989

CS PRIME BOND MANAGEMENT COMPANY LUXEMBOURG

Distribution as per March 1, 1989

to holders of Category A units of

CS PRIME BOND

Investment fund under Luxembourg law for hard-currency government bonds	Security registration code
Category A: coupon no. 1, DM 5.50% per unit exempt from withholding tax	Cat. A 594.246
Category B: capital growth (no distribution)	Cat. B 594.247
* equivalent to ECU 2.66 (rounded)	

The amount distributed is payable free of any fees at the offices of the following paying agents:

Credit Suisse	Paradeplatz 8 CH-8021 Zurich
Crédit Suisse (Luxembourg) S.A.	23, avenue Monterey L-2163 Luxembourg

CS PRIME BOND invests exclusively in top-rated bonds issued or guaranteed by a government and denominated in a hard currency (Sfr, DM, Hfl and yen). It thus offers both maximum security and a high degree of currency stability.</

Bébéar, Generali Win Battle for Control of Midi

By Jacques Neher
Special to the Herald Tribune

PARIS — With the backing of French institutional investors and Italy's largest insurance company, Assicurazioni Generali SpA, Claude Bébéar wrested control of Compagnie du Midi during a stormy shareholders meeting Tuesday. The coup set the stage for negotiations between Midi and Generali aimed at launching insurance joint ventures in Europe and elsewhere. Generali owns around 17 percent of Midi. Mr. Bébéar, president of Axa-Midi Assurances, Midi's insurance group, easily won three additional seats on Midi's board over the objections of Bernard Pagezy, Midi's chairman. It brought to six the number of seats controlled by Mr. Bébéar.

Generali also won two seats, giving Mr. Bébéar and Generali together a majority on the 14-member board.

Sources close to the company said that Mr. Pagezy's resignation was "imminent" and that Mr. Bébéar was expected to become chairman.

"As far as I know, the job isn't available yet," Mr. Bébéar quipped at a press conference following the shareholders meeting in which his resolutions carried nearly 85 percent of the vote.

On the Paris Bourse on Tuesday, Midi's shares rose to 1,550 francs (\$250) from 1,470 francs a day earlier.

Ironically, it was Mr. Pagezy who last spring enlisted Mr. Bébéar to merge his Groupe Axa with Midi in an attempt to fend off Generali, which had begun building a stake in Midi. Together, they created the second-largest insur-

ance concern in France with 4,200 agents and 1988 premium income of 36 billion francs.

Generali threw its voting weight behind Mr. Bébéar only after Caisse des Dépôts & Consignations, the French state-owned public savings institution, unexpectedly indicated it would vote against Mr. Pagezy. Caisse des Dépôts has a 4 percent stake in Midi.

Other institutions, such as Compagnie Financière de Paris and the state-owned insurance group, Union des Assurances de Paris, also sided with Mr. Bébéar.

Sources said Caisse des Dépôts represented the pivotal vote. They speculated that the institution was "paying back" Mr. Bébéar on behalf of the government for his recent help in resolving a shareholding controversy in Société Générale.

Axa-Midi agreed to take a 4.5 percent stake in Société Générale, helping Georges Bérureau and his Marceau Investissements to withdraw after a failed assault on the French bank.

Mr. Bébéar said he had been confident that Generali would support him.

"I know Generali's strategy is the same as mine," he said. "I would have been very astounded if they had voted against our resolutions."

One of Generali's new representatives on the Midi board, Eugenio Coppola di Canzano, said Generali had not agreed to forego buying more shares in Midi, though he did not elaborate on his company's intentions.

French regulatory authorities last year gave Generali permission to acquire up to 33 percent of Midi if it had attained 20 percent by this coming July.

Simon Rudolph, an insurance industry analyst with UBS/Phillips & Drew in London, predicted Generali would consider additional stock purchases as "an option" in case its cooperation attempts with Mr. Bébéar proved unsuccessful. "If things go well with Axa, why should it bother spending all that extra money?" Mr. Rudolph said.

Both Mr. Coppola di Canzano and Mr. Bébéar said they would soon begin talks on developing projects of "common interest" to the insurance field.

Pierre Barberis, managing director of Axa-Midi Assurances, said the companies would explore joint ventures in European markets outside of France and Italy, as well as to work on ventures for specialized insurance products for the global market, such as marine and aviation insurance.

"In Europe, it will be nation by nation approach," Mr. Barberis said.

"If we tried to go into the German market on our own, we would get crushed like a fly by Allianz. But together with Generali, we could do something."

Midi has a formidable distribution network in France and Britain, comprising Assurances du Groupe de Paris, Drouot Assurances and Equity & Law Life Assurance of Britain.

Generali is believed to be less interested in Midi's other assets, which include the Paris stockbrokerage, Meeschaert-Rousselle, and a portfolio of real estate and industrial holdings. Its assets amount to more than 120 billion francs.

Lockheed Stock Rises on Rumor Of Takeover

LOS ANGELES — The price of Lockheed Corp. stock rose Tuesday on continued takeover speculation and on the belief that the company may be preparing a restructuring program.

There have been takeover rumors for several weeks now, "but I know of nothing concrete along that line," Lockheed stock rose 7.5 cents, closing at \$48.625 on the New York Stock Exchange.

A company spokesman declined comment.

Mr. Harris said he expected the company to announce a restructuring as early as next month that would make it a less attractive takeover candidate. He said he thought such a program would include a stock repurchase and the divestiture of part of its information systems business.

Thiokol's Stock Advances On Plan to Split Company

By Julia Flynn Siler
New York Times Service

CHICAGO — Morton Thiokol Inc.'s plan to split into two companies was greeted favorably on Wall Street on Tuesday, where its stock rose \$2.25, to \$42.25 a share.

On Monday, the company said it would spin off its commercial operations from its troubled aerospace unit, the division that made the booster rocket whose failure led to the explosion of the space shuttle Challenger three years ago.

The plan would create a new company, Morton International Inc., consisting of specialty chemical, airframe, and salt businesses and having estimated annual sales of about \$1.5 billion.

The current corporate entity, which would retain the aerospace business, would be renamed Thiokol Corp., and would have annual sales of about \$1.1 billion.

Under the transaction, shareholders would receive a tax-free distribution of a share of Morton International stock for each Morton Thiokol share. The company said it expected both companies to

Sony Declines Comment on Columbia Talk

LOS ANGELES — Officials of Sony Corp. of America and Columbia Pictures Entertainment Inc. have refused to comment on reports that Sony plans to buy Columbia Pictures Entertainment.

But shares of Columbia rose for the second consecutive day on speculation that Sony is interested.

Columbia rose \$1, to close at \$16.75 on the New York Stock Exchange. The stock had risen \$1.25 on Monday.

Analysts said the speculation about Columbia had helped revive interest in Warner Communications Inc. stock. Warner shares rose 75 cents, to close at \$42.625, in New York.

Some analysts said the rumors about both companies could have been triggered by the recent agreement to be acquired by Pathé Entertainment Inc. for \$138 million.

STATUS: Declining Prestige Hurts U.S. Sales of European Luxury Cars

(Continued from first page)

cars and social issues like homelessness was also more evident than in the previous two years.

"I don't think people are backing away from buying luxury cars because they're concerned about the ozone layer," Mr. Meer said. "It's not cause and effect. But I think both things—the worry and the decision not to buy—spring from the same underlying feeling: that we can't have everything."

Until 1987, European makers of luxury cars had consistently been able to charge premium prices and increase sales for two reasons: substance and style.

European companies, first of all, benefited by demonstrating a quality and performance advantage over most American-made cars.

European automakers also attempted to reinforce their sophisticated, high-class image by advertising and promotion that often focused on status. Aston Martin Lagonda Ltd. of Britain, for example, ran an advertisement that read "Democratize Thy Neighbor."

Another crucial aspect of European luxury car marketing has been the message that it is intelligent and acceptable behavior to reward oneself by spending an enormous sum on a car.

Such behavior made sense, in the logic of the marketers, because the buyer was getting a superior-quality vehicle.

Throughout the 1980s, however, U.S. automakers have narrowed the gap in quality and performance, eroding the extra value that American luxury-car buyers perceived they were getting for the premium prices.

"We've had three to four years of pretty good news from the U.S. carmakers, and the public is starting to find out," said David E. Davis, publisher of Automobile magazine.

"We're seeing the convergence of two important trends: rising import prices and growing improvement by the domestics. There had to be a point where they crossed."

Moreover, the 1986 overhaul in the federal income tax laws increased the cost of owning a luxury car. The deductibility of most interest payments was phased out and the use of investment tax credits was curtailed.

That meant lawyers, doctors and stockbrokers who once routinely deducted their cars as business expenses were forced to make more practical choices.

The decline of the dollar's value against the Deutsche mark, the Swedish krona and other European currencies has accelerated the price increases that luxury car makers had begun about two years ago.

Many executives in the luxury car import business are now convinced that prices have risen so high—and competing American vehicles have so markedly improved—that buyers no longer believe the extra value in a European luxury car justifies the premium price.

"You don't really know where the price vs. value threshold is until you've crossed it," said Brian Bowler, president of Porsche Cars of North America, Inc. "And we crossed it."

While the price of some Porsche models has jumped sharply, the number of cars brought into the United States has dropped by nearly half since 1986, to 15,737 from 30,471.

One Porsche dealer, who asked not to be identified, commented: "A guy just came into my place and said, 'I'm willing to pay \$40,000 for a Porsche 911. But \$55,000? That's crazy.'"

Joseph Herman, who is a partner in 22 auto dealerships, most of them selling European luxury cars, said consumers who buy cars that others think are too highly priced fail to achieve the images for which they are searching.

"The problem is that a person who spends too much money on a car that doesn't have sufficient value is perceived by his friends to be a fool," Mr. Herman said.

As demand for European luxury cars has declined, widespread dealer discounting has ensued, enabling some buyers to buy luxury cars for thousands of dollars less than the sticker price. This has upset manufacturers, who think it cuts into their luxury images.

The sales erosion worries executives of auto import companies, who have been huddling with their European counterparts to develop strategies for halting the decline.

A.B. Shuman, a spokesman for Mercedes-Benz, disputed the notion that affluent consumers are backing away from expensive European cars.

Nevertheless, to make Mercedes more affordable and more attractive, the company has lowered the price of its entry-level 190 series.

Porsche has frozen prices for the rest of the year, dropped the lower-priced 924 model and, in order to improve the value-to-price relationship, added a more powerful engine in the 944 and a new suspension in the 911.

ADVERTISEMENT

INTERNATIONAL FUNDS

February 28, 1989

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some funds whose prices are supplied by other sources. All prices are in U.S. dollars. (1) = weekly; (2) = bi-monthly; (3) = quarterly; (4) = semi-annual; (5) = monthly

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CURRENCY MARKETS

Dollar Ends Narrowly Mixed After GNP Report

Compiled by Our Staff From Dispatches
NEW YORK — The dollar finished narrowly mixed on Tuesday following news of slower-than-expected U.S. economic growth and continued high inflation.

Dealers said an early dollar rally was cut short by news that the U.S. gross national product was not revised upward from the 2 percent rate originally reported for the fourth quarter of 1988.

They said news that the implicit GNP price deflator, a measure of inflation, was revised upward to 5.3 percent from 4.7 percent also helped to take steam out of the currency's early rise.

"The GNP figures were a little bit lower than expected," said George Deluna, a trader with Irving Trust Co.

The dollar closed at 1.8225 Deutsche marks, down from 1.8230 DM on Monday, but at 126.90 yen, up from 126.75 yen a day earlier.

The British pound firmed to \$1.7430 from \$1.7410 on Monday. The pound remained constrained by nervousness about Britain's January trade report, scheduled for release Wednesday.

London Dollar Rates

Currency	Rate	Change
Deutsche mark	1.8225	-0.0005
French franc	166.50	+0.10
Japanese yen	126.90	+0.15
Swiss franc	1.5500	+0.0005
British pound	1.7430	+0.0020

Source: Reuters

Economists said the trade figures would be closely watched, as a wider-than-expected deficit could force the government to prompt another one-point increase in the commercial banks' base lending rates, which stand at 13 percent.

The U.S. unit also closed at 1.5558 Swiss francs, down from 1.5560 on Monday, and at 6.2030 French francs, down from 6.2075.

The dollar had opened a penny higher against the mark in Europe, as expectations waned that the Bundesbank would tighten credit policy at its council meeting to be held on Thursday.

A rise in the Bundesbank's 4 percent discount rate or 6 percent Lombard rate would counter any support the dollar gained from Friday's half-point rise in the U.S.

discount rate, to 7 percent, dealers said.

They also said recent conflicting statements from Federal Reserve Board and administration officials had temporarily turned market sentiment against the dollar.

"The whole bias is still negative toward the dollar," said Tim Fox, a currency analyst at Barclays Global Treasury Services.

Earlier in London, the dollar closed at 1.8205 DM, up from 1.8170 DM on Monday, and at 126.80 yen, up from 126.55 yen a day earlier.

The dollar rose in the morning on short-covering in anticipation of strong fourth-quarter GNP data. Although it was unable to sustain these gains once the data were released, it was shored up by waning expectations of a West German rate rise, dealers said.

"The dollar seems trapped in a trading range," said Robert Hatcher of Barclays Bank PLC in New York.

But the dollar's anemic performance since Friday suggests to some that the Bundesbank may not feel pressured to act. "If the

Bundesbank leaves rates unchanged, the dollar could drift up to 1.8300 to 1.8350 DM," Mr. Hatcher said.

In U.S. credit-market activity, Treasury bond prices rose as expectations of a further credit tightening by the Fed weakened.

The 8.875 percent, 30-year bond was at 97 13/32 to yield 9.12 percent, compared with 97 1/32 and 9.16 percent at Monday's close.

(Reuters, AP)

Australian Unit Firms

The Australian dollar closed firmer in Sydney on Tuesday after a confusing trading day in which the currency fluctuated by more than 1.5 U.S. cents, Reuters reported.

The currency recovered from its opening of 79.62 U.S. cents to close at 80.25 cents. The Australian dollar had plunged to a low of 78.60 in the morning, amid confusion over comments attributed to Prime Minister Bob Hawke, dealers said.

He was quoted by a local newspaper as having said the Australian dollar could fall to 78 cents. Mr. Hawke later denied that he had commented on the currency.

Prices Rise In Germany At 0.3% Clip

Compiled by Our Staff From Dispatches
BERLIN — A continuing resurgence of inflation in West Germany was suggested Tuesday by a government estimate that consumer prices rose 0.3 percent in February.

The estimate, from the Federal Statistics Office, set inflation at an annual rate of 2.6 percent in February, the same as in January.

The consumer-price estimate for February compares with a 1.1 percent jump in prices in January over December.

West German industrialists fear the return of inflation, and many are hoping that the Bundesbank, the central bank, will decide at a meeting scheduled for Thursday to increase key interest rates.

The Bundesbank last increased rates on Jan. 20, boosting the Lombard rate, the emergency rate charged on very short-term loans backed by securities, by a half point to 6 percent. It also raised the discount rate, a longer-term rate, to 4 percent.

"I don't think the Bundesbank is going to take any risks with inflation," said William Ledward, senior European economist at Nomura Research Institute in London.

Eastern Europe Boosts Debt to West

By Carl Gewirtz

International Herald Tribune

PARIS — Eastern Europe is stepping up its borrowing from Western creditors in its drive to accelerate growth, modernize industry and undertake economic reform, the Organization for Economic Cooperation and Development reported Tuesday.

"The rising debt reflects the expansion-oriented policy currently being pursued," the OECD said in its annual survey of East-West trade and financial relations.

The organization estimated that the net debt of the seven Eastern European countries, adjusted for inflation, totaled \$99.63 billion last year, up from \$97.86 billion a year earlier.

The conversion of the debt into U.S. dollars is greatly affected by exchange-rate considerations since roughly two-thirds of the debt is contracted in other currencies, notably Deutsche marks, European currency units, Swiss francs and Japanese yen.

Using constant exchange rates, the net real debt last year was about equal to the level in 1981.

Following Poland's debt crisis in that year, all Eastern European countries began to reduce their foreign borrowing, but the pace began to increase again after 1985.

The OECD said that the debt burden is likely to increase further since "the policies of economic reform currently in place, even if ap-

plied effectively, can at best be expected to result in export gains only in the medium term." Meanwhile, reliance on imports will be needed "to sustain investment programs and to supply the domestic consumer market."

As debt increases, so does the sensitivity to increases in interest rates. The report notes, for example, that each rise of 70 basis points in the benchmark London interbank offered rate "would cost Hungary an additional \$1 billion annually."

However, the OECD sees little chance of an uncontrollable rise in the region's debt since the Communist countries and their Western creditors are concerned and cautious about an excessive increase in credit exposure.

Based on the existing level of debt, the report divides Eastern Europe into two categories: those countries with significant debt burdens, such as Poland, Hungary and Bulgaria, and those with light-to-moderate debt loads, such as Czechoslovakia, East Germany, the Soviet Union and Romania.

The OECD said the latter group should expect to encounter higher lending rates as traditional creditors become more cautious about increasing their exposures.

As a result, the OECD said these countries would "need to broaden and diversify" lending sources "by seeking creditors in different geographic regions and by seeking to enter new market segments, such as bonds and leasing."

The report notes that the Soviet Union sharply reduced its presence in the syndicated credit market last year even though its debts to foreign banks increased.

"New borrowing mostly took the form of unpublicized bank-to-bank or financial credits," it said, calling attention to the fact that its borrowing costs have been rising.

In 1987, the Soviet Union paid a record-low 4 1/2 percent point over Libor, the London interbank loan rate, for an eight-year loan. Subsequently, the lending charge has increased to 4 1/2 percent point over Libor, but the report notes that Western banks have shown "very little enthusiasm" to lend at such thin margins.

Although the Soviets issued bonds in Swiss francs and Deutsche marks, the potential for raising money in the bond markets remains a potential rather than an actual source of credit, since "nearly all the bonds remain with the banks."

The Soviet Union also arranged special trade-related facilities with a number of European countries that have attracted a lot of attention. But the OECD report noted that these were not actual extensions of credit but rather contingent facilities to be used to finance imports only if trade actually developed.

"It is unclear what advantages the new facilities would offer compared to existing facilities," many of which are underutilized, the report said.

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Feb. 28

Stock	Price	Change
Amst. Stock Index	413.10	+1.10
Amst. 100	100.00	+0.00
Amst. 200	200.00	+0.00
Amst. 300	300.00	+0.00
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SPORTS

Sad Locker-Room Goodbye For Landry and His Players

By Michael Wilbon and David Aldridge
Washington Post Service

DALLAS — Tom Landry walked briskly into the Dallas Cowboys' locker-room one last time to look his players in the eye and say goodbye. He had prepared some final remarks, about keeping their chins up and playing hard for the new coach. Then, Landry, a man who hadn't shown much emotion in 29 years on the sideline, broke down and cried.

Landry's final day at Cowboys' headquarters on Monday was as somber a day as this franchise has seen. "It's like a funeral," said linebacker Jeff Rohrer, wiping tears off his own cheek. "It was an honor and a privilege to be in that room when Tom spoke today. It must have been the hardest thing in the world for him to do."

It was hard, even impossible for some players, to think about the minicamp that was scheduled to start an hour later. "To think we can come in and concentrate on football... I'm not going to even attempt to do it," running back Timmy Newsome said. "No way."

As a voice over the loudspeaker reminded players they had to be ready for the afternoon session, Rohrer became even more agitated. "I should have left this morning," he said. "I feel today like I just don't care. I'm sure I'll get over it. But this is just awful. It's a funeral."

Cowboys' players reported to work for the first time since Saturday, when the club was sold for a reported \$140 million to an Arkansas oilman, Jerry Jones, who dumped Landry in favor of his old college roommate, Jimmy Johnson, head coach at the University of Miami. They saw Landry move his belongings out, and many of them reacted with anger, sorrow and frustration. Many said Landry's aborted final speech is something they will remember more than any game they played.

Some of the players, completely undone by Landry's tears, broke out in cheers and roars of approval trying to bolster the 64-

year-old, suddenly vulnerable Landry. It didn't work.

Quarterback Danny White said he found it difficult to watch Landry "in a situation that's difficult for him to handle. It's something I'll never forget. It must have lasted only five minutes, but time stood still, believe me."

In an impromptu gathering with reporters after he met with the players, Landry insisted that he wasn't angry about being fired. But he did acknowledge that it was one of the most difficult days in his professional life, to come to grips with being out of football after 29 years as the Cowboys' only head coach.

"It was hard to keep your emotions under control," he said. "I tried to tell them that this crisis will pass, that you have to keep moving forward. ... It was one of the most difficult things I've had to do."

"I'm not sure what I will do," Landry said. "I'm a Christian man, and I'll put my life in God's hands. I don't know whether I will be active in football again."



Jimmy Johnson: taking over.

Rohrer said. "This is just a corporate takeover and what they did was like going into a national museum and slashing up paintings. It's a strange and sickening feeling."

In Arkansas, Jones said that he "did not do a very good job" in sparing Landry unnecessary embarrassment, and gave himself a grade of "F" for his part in the Sunday conversation, when he and Schramm flew to Austin, Texas, to tell Landry the news.

Another Farewell

Jimmy Johnson met with his players for 10 minutes Monday in an emotional session before leaving the University of Miami campus to start work as the head coach of the Dallas Cowboys. United Press International reported from Coral Gables, Florida.

"He just said he's going to miss us a lot," said Willis Pugh, a defensive lineman. "The last two years he had here were his best. He said keep winning, keep a positive attitude. We wished him luck and we clapped for him. He got to the point, but it was very touching."

Johnson already has hired two assistants from the Miami Dolphins, assistant head coach Dave Shula and linebackers coach Dave Wannstedt.

On Tuesday in Texas, Johnson said success wouldn't come as easily in the NFL as it did in college.

"I do believe that if commitment, enthusiasm and hard work is worth anything, we'll make progress in Dallas," Johnson said at an afternoon press conference.

"I think Tom Landry is one of the finest individuals and finest coaches I would ever hope to know," Johnson said. "It hurts me when someone says I did something out of disrespect to Tom Landry."

A Landry Stadium?

The Dallas Times Herald and Dallas Morning News launched editorial campaigns Tuesday urging Jones and the Irving City Council to rename Texas Stadium in honor of Landry. The Associated Press reported from Dallas.



Villanova's Rodney Taylor has no room to maneuver against Georgetown's Dikembe Mutombo.

Georgetown Beats Villanova, 76-62

The Associated Press

Charles Smith scored 10 of his 24 points in a decisive second-half run that led Georgetown to a Big East victory Monday night over Villanova, 76-62, in Landover, Maryland. Since the No. 2 Hoyas have also

TOP-20 BASKETBALL

ready clinched the conference title, the game was virtually meaningless to them.

The Hoyas led 35-33 at halftime, but opened the second half by missing their first eight shots from the floor and five of six free throws while Villanova took a 45-36 lead. A lay-up by Smith with 13:55 left ended Georgetown's dry spell, and he added two 3-pointers and a short jumper in a 20-6 run that gave Georgetown a 56-51 lead with 7:51 left.

The Wildcats quickly cut the margin to 56-54, but Jason Jackson hit a 3-pointer and John Turner made two free throws to make it 61-54.

Villanova is 15-14 overall and 6-9 in the conference.

The Hoyas, 23-3 and 13-2, have won five consecutive games and 20 straight at home.

Michigan 79, Michigan St. 52. In East Lansing, Michigan, an 18-0 run in the closing minutes of the first half and the beginning of the second was decisive for the Wolverines (22-4, 10-5) in the Big Ten contest. Glen Rice, the top scorer in the conference at 26.1 per game, was held to nine points. But Loy Vaughn scored 16 to lead 10th-ranked Michigan.

"I can't say enough about Glen Rice. They were doubling Glen the entire time," said Bill Frieder, the coach of Michigan. "They used a triangle-and-two and a box-and-one on him all night, and he kept finding the open man. If that's not

unselfishness, I don't know what is. And that's why we won the game."

Nevada-Las Vegas 84, UC Santa Barbara 75. In Santa Barbara, California, David Butler scored 25 points as Nevada-Las Vegas, ranked 18th, clinched its seventh straight Big West Conference championship at 14-2.

The Rebels, bouncing back from a last-second 88-87 loss Saturday at Louisiana State, improved their Big West record to 14-2. They are 21-7 overall.

Anderson Hunt added 19 points for Nevada-Las Vegas.

Mike Doyle scored 24 points for UCSB (19-7, 10-7).

Bruno Wants a Rematch

The Associated Press

LONDON — Frank Bruno returned home Tuesday and said he wanted another crack at Mike Tyson, who stopped the Briton in their world heavyweight boxing title fight Saturday.

"I'm too young to retire," Bruno, 27, said as he arrived here from Las Vegas. "I would love to meet Tyson again, this time in London. I hope it will be this summer."

"I reckon I would stop him next time," Bruno said. "I learned a lot from the fight and I proved he's only human. He can be hurt."

SIDELINES

English Seek Soccer Reinstatement

GENEVA (AP) — England's soccer federation formally has asked for readmission of its clubs into European tournaments next season. UEFA said Tuesday. A spokesman for the Union of European Football Associations said its executive committee would consider the request at an April 11-12 meeting.

England's Football Association, in appealing to European soccer's governing body for lifting the four-year-old ban, put itself at odds with the British government. Apparently wary of possible violence by English fans traveling the continent, Britain's sports minister declined to back the FA's fresh bid for a quick return of English clubs.

On Tuesday, Britain's sports minister, Colin Moynihan, said a return of English clubs currently is "inconceivable" because "no steps have been taken since the appalling scenes of last June."

Celtics' Bird Still Down at the Heel

BOSTON (UPI) — The Boston Celtics' star forward, Larry Bird, has participated in his first full workout with the team since double heel surgery sidelined him last November.

Bird took his turn during several combined workouts Monday at the team's practice court at Hellenic College in suburban Brookline. The 6-foot-9 (2.06-meter) forward had bone spurs removed from both heels on Nov. 19.

"It's killing me," said Bird about his right heel. "They told me there would be days like this. But it hurt all the time," he said, adding that his left heel felt fine.

Tyson's Manager Moves Against King

LAS VEGAS (NYT) — Bill Cayton, Mike Tyson's manager, asked the New York State Athletic Commission on Monday to take action against the promoter Don King for interfering with Cayton's contractual relationship with the heavyweight champion.

In a brief filed with the commission by Cayton's attorney, Thomas Puccio, Cayton charged King with "deliberate disregard of the Tyson-Cayton boxing-manager contracts, commission rules and established boxing practices."

Prague Trial in Soccer Scandal Starts

PRAGUE (Reuters) — Twenty-one past and present players and three officials of a top Czechoslovak soccer team are being tried on charges of financial fraud and accepting bribes, the CTK news agency said.

It said the former president, treasurer and secretary of first division Bohemians went on trial in Prague on Monday, charged with diverting club money to unofficial funds between 1977 and 1987. The money was used for "unjustified payments, particularly in connection with transfers of football players," the agency said.

For the Record

Nigeria beat the United States, 2-1, on Tuesday in the semifinals of the World Youth Cup soccer tournament in Saudi Arabia after 30 minutes of extra time. The halftime score was 0-0. They were drawn 1-1 at full time, but Nigeria scored the clincher in the extra period. The Nigerians will now play Portugal, which beat Brazil, 1-0, in the other semifinal. (AP)

Guy Lafleur scored three goals for the 17th time in the NHL as the New York Rangers beat the Los Angeles Kings, 6-4, Monday night. The hat trick gave Lafleur 535 goals and moved him past Frank Mahovlich into ninth place on the all-time NHL list. (AP)

The Royal Dutch Soccer Federation, turning down seven other offers, sold its television rights Tuesday to the public broadcasting system NOS for another year for 2.25 million guilders (\$1.13 million). (UPI)

Quotable

• Tom Landry, fired by the Dallas Cowboys, after bidding farewell to his former players: "It is hard to explain how you feel about the coaches and players unless you have been in the arena with them. It is a special kind of relationship. You don't remember the Super Bowl. You remember the players and the situations you went through." (UPI)

BOOKS

JOHN DOLLAR

By Marianne Wiggins. 214 pages. \$17.95. Harper & Row, Publishers Inc., 10 East 53d Street, New York, N. Y. 10022.

Reviewed by Christopher Lehmann-Haupt

IN her previous books — which include three novels ("Babe," "Wheat South" and "Separate Checkers") and a collection of stories ("Herself in Love") — Marianne Wiggins has evinced a bizarre imagination, a capacity for poetic writing and a gift for mimicry regardless of her characters' locales.

Now in her most successful new novel, "John Dollar," she has put these talents together in a powerful story that not only pulls you through to its final pages but also propels you back to the beginning again, where you find you want to follow her descent into hell a second time.

In 1917, Charlotte Lewis, a once "red-headed" young Englishwoman whose life has been drained of all passion by the death of her husband at the battle of the Somme, applies for a posting to teach British youth in Burma "because there were, and there will always be, women who will nest *paradis* like papermoths, women who will try to cling on paper legs to the primeval."

Once settled in Rangoon, Charlotte finds herself repelled by the "mannered, preeminent, suspicious" English colo-

ny, and increasingly drawn to her own solitary way, until one magic night she falls in love with a sailor named John Dollar whose background no one has figured out.

When John confides to some English drinking companions his ambition to chart the Andaman Islands, to the south of Burma, they propose an expedition that would conclude with the renaming in honor of King George's birthday of an island in the chain once called by Marco Polo the Island of Our Outlawed Dreams. Almost immediately, three ships sail forth, carrying John, Charlotte and the most significant portion of the hidebound English community.

They hold a splendid picnic on the beach of their newly named isle, complete with "eight rugs, two crates of Royal Worcester fine bone china in the 'Hyde Park' pattern, a casket packed with raffia containing Irish leaded crystal," and other luxurious impedimenta.

When John Dollar pokes gentle fun at their decadence, one of the party replies: "John, I know you're soft on this and I love you but the fact is we own everything. They don't own their own backsides. We own them. We own them because we're better. There isn't anything that we can't own in any corner of the world wherever we might want it."

And then disaster strikes, a calamity prefigured by a stunningly described scene (reminiscent of Tennessee Williams' "Suddenly Last Summer") in which a vast swarm of sea turtles scrambles out of the sea and lays eggs in the

sand, only to see them destroyed by marauding Komodo dragons. The last vestige of civilization is torn away and only John Dollar, Charlotte and Charlotte's eight young female charges are left to struggle for survival against forces that one of the children aptly sums up as nothing less than "the devil."

Aside from the excitement the book arouses by itself, it represents such an advance over Wiggins' previous fiction that one is inclined to hope for even better things to come.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BEST SELLERS

This list is based on reports from more than 1,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION		Weeks on List
1	STAR, by Danielle Steel	1
2	MIDNIGHT, by Dean R. Koontz	1
3	THE SANDS OF TIME, by Sidney Sheldon	2
4	RIVALS, by Janet Dailey	3
5	THE CARDINAL OF THE KREMLIN, by Tom Clancy	5
6	CAT'S EYE, by Margaret Atwood	9
7	A SEASON IN HELL, by Jack Higgins	4
8	MUTATION, by Robin Cook	6
9	THE EDGE, by Dick Francis	6
10	THE LYRE OF ORPHEUS, by Robertson Davies	8
11	BREATHING LESSONS, by Anne Tyler	7
12	ANYTHING FOR BILLY, by Larry McMurtry	18
13	THE FORTUNE, by Michael Korda	1
14	FRENCH KISS, by Eric Van Lustbader	11
15	SPY HOOK, by Len Deighton	12

NONFICTION
1 ALL I REALLY NEED TO KNOW I LEARNED IN KIN-

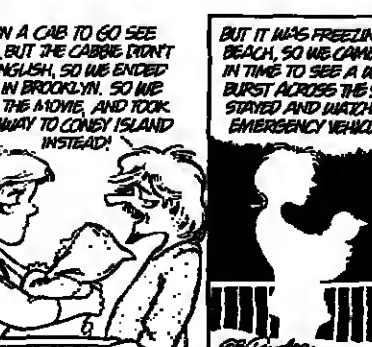
DERGARTEN, by Robert Fulghum	2	17
BLIND FAITH, by Joe McGinnis	3	5
A BRIEF HISTORY OF TIME, by Stephen W. Hawking	4	15
GRACE, by George Burros	5	13
THE FIRST SALUTE, by Barbara W. Tuchman	6	8
THE BLOODING, by Joseph Wambaugh	7	19
THE LAST LION, by William Bradford Huie	8	7
PARTING THE WATERS, by Taylor Branch	9	10
WHAT DO YOU CARE WHAT OTHER PEOPLE THINK? by Richard P. Feynman with Ralph Leighton	10	4
LEGENDS, LIES, AND CHERISHED MYTHS OF AMERICAN HISTORY, by Richard Shenkman	11	10
THE EDGE, by Dick Francis	12	16
THE BOY WHO COULDN'T STOP WASHING, by Judith L. Karp	13	2
A BRIGHT SHINING LIE, by Neil Sheehan	14	18
DON'T BEND OVER IN THE GARDEN GRANNY, YOU KNOW THEM TATERS GOT EYES, by Jerry Grizzuti and Joseph Schuster	15	12
INNUMERACY, by John Allen Paulos	16	1

ADVICE, HOW-TO AND MISCELLANEOUS

WEALTH WITHOUT RISK, by Charles J. Givens	2	5
THE 8-WEEK CHOLESTEROL CURE, by Robert E. Kowalski	3	16
THE DICTIONARY OF CULTURAL LITERACY, by E.D. Hirsch Jr., Joseph E. Kraft and James Traft	4	15
WEBSTER'S NEW WORLD DICTIONARY, Second Edition	5	18
THE FRUGAL GOURMET COOKS AMERICAN, by Jeff Smith	6	27

The Daily Source for International Investors.

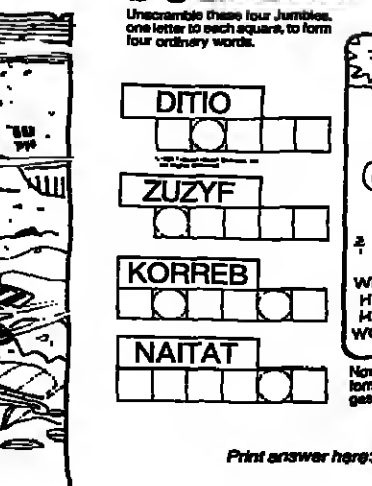
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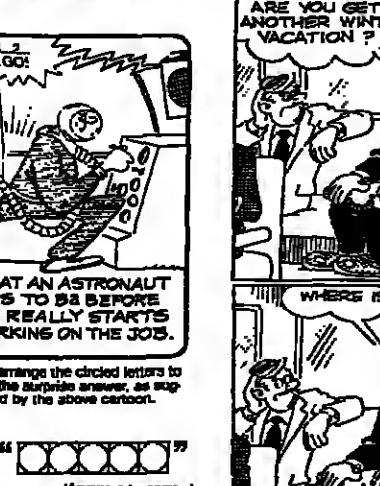
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JUMBLE



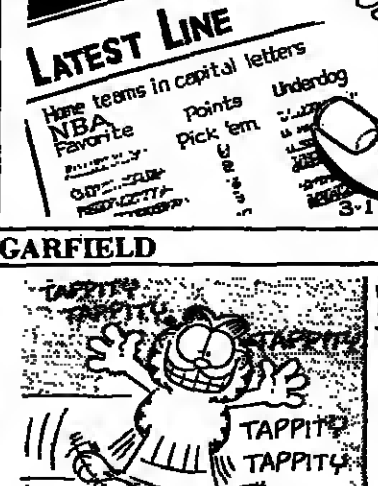
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LATEST LINE



REX MORGAN



GARFIELD



"THIS STORY IS ALMOST AS BAD AS THE ONE IN THE OLD DAYS THAT MR. WILSON LIES ABOUT."

APR 10 1989

SPORTS

Romanians Hoist Flag on Three European Fronts

LONDON — Winning in Europe becomes ever more a matter of money, power and geography. Larger and larger monies are laid at the feet of fewer and fewer star performers, whose choice of club may hinge on tax structures, climate, shopping or schooling offered to Mr. and Mrs. Soccer Millionaire.

The presence of Monaco in Wednesday's European Cup quarterfinals illustrates the point. A prince's purse puts Monte Carlo's nouveau riche up there with soccer's fat cats.

ROB HUGHES

Yet those who reach out to buy stars cannot know if their wealth erodes the hunger that spurs players to take physical risks, to run through pain for yet another victory, another few thousand dollars, another trophy for a club most are merely passing through.

Triumph generated out of triumph is an old-fashioned concept. But it is the core of the city currently striving for success on more fronts than any other.

"The greater the hardship, the better our results," is the boast in Bucharest. Here is a city short of basic foods, of freedom and of electricity — yet Bucharest has Steaua in the European Cup, Dinamo in the Cup Winners' Cup, and Victoria the UEFA Cup.

It is as if the Romanian capital, once a fortress town and trading post on the road to Constantinople, has rediscovered the siege mentality: none shall pass, and none shall plunder.

Steaua Bucharest is indeed an army club built around a little general much coveted by Italians, Greeks and Spaniards.

George Hagi inspires Steaua with a left foot that makes the ball dance to his desire. He came to Steaua on military service after the club's tour triumph in the 1986 European Cup. He won't leave unless and until Romania's leader, President Nicolae Ceausescu, decides the live is worth more than the kudos of Hagi's captivating (perhaps captive) skills at home.

Not that Hagi is all alone. Marius Lacatus is a tormenting right winger, and Miocdrag Belodedici makes gliding runs from defense reminiscent of Franz Beckenbauer.

Steaua travels to Gothenburg, where liberty is a byword and where the IFK club has groomed, sold, then rebuilt talents to surprise Europe.

The contrast is intriguing. So might be the ways of ensuring the Romanians' return without adding to detractors from soccer, rugby and gymnastics.

Even so, most European eyes will focus on Wednesday on PSV Eindhoven vs. Real Madrid.

This is a revenge mission for Madrid, whom PSV eliminated in last year's semifinal by drawing 1-1 in Spain and 0-0 in the Netherlands (away goals count double).

The stakes are sky high. Leo Beenhakker, Madrid's Dutch coach, has gambled mightily.

He has toyed with Latin delicacy. He decided that if goalkeeping "twins" Emilio Butragueño and Hugo Sanchez couldn't crack PSV, and if Spain's best midfielder, Michel, Martin Vazquez, Ricardo Gallego and Rafael Gordillo couldn't outwit the tactical Dutchmen, it was the coach's duty to improve it.

Beenhakker purchased Bernd Schuster from arch rival Barcelona — and how the Catalans laughed at

ridding themselves of the quarrelsome Schusters (Mr. and Mrs.).

When Madrid failed to reach the same heights this season as last, all Spain thought Beenhakker had had a stroke of megalomania.

Did he suppose he could tame the eternal enfant terrible Schuster? How could he operate two play-makers, with both Schuster and Michel wanting to lead the orchestra? And surely Schuster's long passes were lost on Butragueño and Sanchez, whose acrobatics is best served by incisive short play.

Well, Real Madrid again leads the Spanish league. It's recent form has stifled the critics, and last weekend's 5-1 trouncing of Betis Seville must send a shiver down Eindhoven's spines.

Schuster might even be the foreign element, the guts as well as flair, to beat PSV this time. The blond West German may have sulked through much of his prime in Barcelona, but, properly primed and motivated, he is capable of enormous physical bravery as well as breathtaking passing and shooting.

We shall know Wednesday if Madrid's craving to reconquer Europe (and the booty on offer) prompts harmony between Schuster and Michel.

If so, Beenhakker becomes hero in Spain, traitor in Holland. And if not, he departs: pronto.

The gods could be leaning his way. Michel is able to play because UEFA (pliant as usual to Real Madrid persuasion) slashed his suspension from nine matches to three following the Spaniard's gross abuse to the referee against PSV last year.

Madrid is at full strength; PSV not so. The Dutch goalkeeper Hans Van Breukelen is out with cartilage and ligament damage, defender Eric Gerets is dismissed by age, midfielder Steven Lerby carries the weight of involvement in Ajax Amsterdam illegal payments, and the captain, Ron Koeman, has half his mind on next summer's \$7 million move to Barcelona.

PSV will trust that competitive instincts will rouse Koeman to serve the quick, darting Brazilian goal-corer Romanio, to steady the young keeper Patrick Lodewijks and to guide the enthusiasm of emerging attackers Jules Ellerman and Anton Janssen.

But if Real Madrid has the courage to go for it, I suspect Spain will reign this time.

The Dutch, however, are everywhere. They are the backbone of A.C. Milan's challenge against West Germany's Werder Bremen.

Ruud Gullit is back after injuries and scored twice in Milan's 6-1 annihilation of Pescara in Italy last Sunday. Frank Rijkaard also scored — and Rijkaard, who badly missed Gullit, needs more success to convince Milan that his unreliability was due to being pressed in too many positions during the team's catastrophic injuries.

Milan's prematurely greying forward, Antonio Virdis, also scored twice on Sunday, reminding us that Italians also score. And Milan's third Dutchman, Marco Van Basten, has been in striking form — whacking goals and opponents before being ordered off 10 days ago.

With the Italian championship now out of Milan's reach, the priority is the European Cup. And though, wily, experienced though Bremen is, I haven't bet against Gullit yet, and he never lets me down.

So, Steaua Bucharest, Real Madrid, AC Milan and who else?

It should be Monaco. Built around Glenn Hoddle, but with Patrick Batistoun majestic in defense, its



George Hagi of Steaua Bucharest, which plays in the European Champions' Cup quarterfinals.

trump card could be the Ivory Coast winger Youssef Fofana.

The little man has blistering pace, and an intuitive nose for goals. He destroyed Bruges with three in the last round, so I doubt Galatasaray has any legitimate way of catching him — though the Turkish champion itself boasts Tanju Colak, whose 39 goals won last season's European Golden Boot.

In the Cup Winners' Cup, the holder Mechelen of Belgium may, with its goalscorers John Bosman of the Netherlands and Eli Ohana of Israel, be too powerful for Eintracht Frankfurt, which is just rising from the bottom of West Germany's league after four managerial and two presidential changes this season.

Sofia Sofia is tough opposition for Roda of the Netherlands. And Sampdoria of Italy, in superb

form of late, has to visit Bucharest against a Dinamo team which matches Steaua in the Romanian league.

The UEFA Cup pits Hearts of Scotland against a Bayern Munich team celebrating a record 19-game unbeaten streak.

It also has a suddenly faltering VfB Stuttgart against the Basques of Sociedad. Victoria Bucharest, on Tuesday, could only draw against Dynamo Dresden, making it hard for the second leg in East Germany.

Finally, Juventus vs. Napoli. Italians will spend \$2 million to watch this — and why not with such deals as Maradona and Careca vs. Zavarov and Landrup. Yet this Italian passion play reduces to just that, a one-nation sideshow, compared to Europe's wider stage.

Rob Hughes is on the staff of the Sunday Times

'Fresh Admissions' On Steroids Likely In Canada Inquiry

The Associated Press

TORONTO — The federal inquiry into drugs in athletics, which opened after Canadian sprinter Ben Johnson was stripped of his Olympic gold medal for taking steroids, resumed Tuesday with hints of sweeping admissions to come of steroid use in track and field.

The commission counsel, Robert Armstrong, said in the opening of the hearing's track and field portion that he anticipates "fresh admissions of steroid use," probably to a degree never seen anywhere in the world.

He recommended that steps be taken to ensure that no sanctions be applied against any athletes for their candor. The commission head, Charles Dubin, said he believed there was merit to the observation, and it would be considered at the proper time.

Dubin was appointed to lead the inquiry after Johnson was stripped of his 100-meter gold medal last September.

Charles Francis, who has been Johnson's coach since Johnson was 15, started days of testimony with a step-by-step description of his own career in track and the start of the track club that Johnson joined.

During about two hours of testimony, Francis chronicled Johnson's growth into the world's premier sprinter and his rivalry with American speedster Carl Lewis.

Francis said he could not have guessed when he first saw Johnson that he would turn into a world champion. Johnson was brought to the Scarborough Optimists Track and Field Club by his brother, Eddie.

Johnson, who maintains that he never knowingly used drugs to enhance his performances, also will be testifying during the hearings, scheduled to last for the next several weeks.

Johnson's physician, Dr. Jamie Astaphan, also has agreed to testify sometime in the next few weeks.

'Drug Testing Ground' Johnson was a "pharmaceutical testing ground," pumped with steroids without his direct knowledge before the Summer Olympics by a doctor who called drug tests "a joke," an American sports therapist, Jack Scott, has testified.

Scott's role in Johnson's training for the Olympics in Seoul is detailed in the April issue of Runner's

World magazine. A copy was made available to The Associated Press on Monday.

Scott confirmed the information in a telephone interview from his office in Berkeley, California.

Scott said he decided to speak out now — four months after the Olympics — because he was appalled by the "disloyalty" shown by Astaphan.

Dr. Astaphan recently came forward and said he never gave Ben Johnson steroids and Ben Johnson went to Toronto and got the stanozolol on his own," Scott said.

Scott, who worked extensively with Johnson during the Canadian sprinter's training for Seoul, said Astaphan turned against the sprinter because of jealousy.

"Astaphan was irate that Charlie Francis was getting the credit (for Johnson's success) as coach and Ben Johnson was getting credit, but he wasn't," Scott said. "Now, when they're caught, he doesn't want to have anything to do with it, he wants to dump it all in Ben Johnson's lap."

"He (Astaphan) denied for months that he ever used stanozolol, and then the drug company came out and said it had been sending it to him for a long time," Scott contended.

"In Ben Johnson's case, he is one of the most decent people I've met in sports. It's a tragedy what this has cost him because of the trust he put in his coach and his doctor. I think he has to accept some responsibility for that, but not the primary responsibility."

"Astaphan started Johnson on steroids without the sprinter's direct knowledge, even though, certainly Johnson consented to continue," the magazine said.

At times, Scott said, Johnson ingested as many as 20 or 30 pills at a time.

Scott said that when he asked Astaphan about the possible repercussions from drug testing, the doctor replied, "The tests are a joke."

Astaphan (had) talked about everything (in St. Kitts), the article said. "About what a brilliant job he had done transforming Johnson from a raw kid into a champion, the magazine said."

About how Johnson was a "sloppy little kid" when Astaphan began working with him five years before. About how Charlie Francis had achieved nothing...

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

W L Pct. GB

New York 27 18 .600 0

Philadelphia 25 20 .556 2

Boston 22 23 .489 5

Washington 21 24 .467 6

Toronto 15 29 .340 12

Central Division

W L Pct. GB

Cleveland 27 18 .600 0

Detroit 25 20 .556 2

Milwaukee 22 23 .489 5

Chicago 21 24 .467 6

Indiana 15 29 .340 12

Western Conference

Midwest Division

W L Pct. GB

Portland 27 18 .600 0

Seattle 25 20 .556 2

Denver 22 23 .489 5

Utah 21 24 .467 6

San Antonio 15 29 .340 12

Pacific Division

W L Pct. GB

Los Angeles 27 18 .600 0

Phoenix 25 20 .556 2

Golden State 22 23 .489 5

Sacramento 21 24 .467 6

Portland 15 29 .340 12

NBA Leaders

Team Offense

Pts. Avg.

Denver 55 119.4

Phoenix 53 117.3

Golden State 51 114.7

Portland 50 113.9

L.A. Lakers 49 113.8

Philadelphia 48 113.8

Seattle 47 113.7

New York 46 113.7

Houston 45 113.7

Milwaukee 44 113.6

Boston 43 113.5

Washington 42 113.5

Chicago 41 113.5

Indiana 40 113.4

Dallas 39 113.4

San Antonio 38 113.4

New Jersey 37 113.4

Detroit 36 113.4

San Diego 35 113.4

Charlotte 34 113.4

Sacramento 33 113.4

Miami 32 113.4

Team Defense

Pts. Avg.

Detroit 51 103.3

San Diego 50 103.3

Charlotte 49 103.3

Sacramento 48 103.3

Miami 47 103.3

Dallas 46 103.3

San Antonio 45 103.3

New Jersey 44 103.3

Houston 43 103.3

Seattle 42 103.3

Portland 41 103.3

Phoenix 40 103.3

Golden State 39 103.3

Los Angeles 38 103.3

Washington 37 103.3

Chicago 36 103.3

Indiana 35 103.3

Boston 34 103.3

New York 33 103.3

Philadelphia 32 103.3

Cleveland 31 103.3

HOCKEY

NHL Standings

W L T Pts. GF GA

New York Rangers 33 24 7 74 242 234

Pittsburgh 32 24 7 74 242 234

Philadelphia 31 24 7 74 242 234

New Jersey 30 24 7 74 242 234

Washington 29 24 7 74 242 234

Boston 28 24 7 74 242 234

Detroit 27 24 7 74 242 234

Toronto 26 24 7 74 242 234

Montreal 25 24 7 74 242 234

Calgary 24 24 7 74 242 234

Edmonton 23 24 7 74 242 234

Vancouver 22 24 7 74 242 234

San Jose 21 24 7 74 242 234

Los Angeles 20 24 7 74 242 234

Anaheim 19 24 7 74 242 234

Dallas 18 24 7 74 242 234

San Antonio 17 24 7 74 242 234

New York Islanders 16 24 7 74 242 234

Buffalo 15 24 7 74 242 234

Columbus 14 24 7 74 242 234

Chicago Blackhawks 13 24 7 74 242 234

St. Louis 12 24 7 74 242 234

Minnesota 11 24 7 74 242 234

Winnipeg 10 24 7 74 242 234

Quebec 9 24 7 74 242 234

Ottawa 8 24 7 74 242 234

Carolina 7 24 7 74 242 234

Florida 6 24 7 74 242 234

Tampa Bay 5 24 7 74 242 234

Atlanta 4 24 7 74 242 234

Nashville 3 24 7 74 242 234

Columbus Blue Jackets 2 24 7 74 242 234

San Jose Sharks 1 24 7 74 242 234

Los Angeles Kings 0 24 7 74 242 234

Anaheim Ducks 0 24 7 74 242 234

Dallas Stars 0 24 7 74 242 234

San Antonio Spurs 0 24 7 74 242 234

New York Islanders 0 24 7 74 242 234

Buffalo Sabres 0 24 7 74 242 234

Columbus Blue Jackets 0 24 7 74 242 234

Chicago Blackhawks 0 24 7 74 242 234

St. Louis Blues 0 24 7 74 242 234

Minnesota Wild 0 24 7 74 242 234

Winnipeg Jets 0 24 7 74 242 234

Quebec Nordiques 0 24 7 74 242 234

Easy

Tobacco

Minnesota (7)

Slovakia (7)

Hartford (7)

Rangers (7)

Buffalo (7)

New York (7)

Detroit (7)

Toronto (7)

Montreal (7)

Calgary (7)

Edmonton (7)

Vancouver (7)

San Jose (7)

Los Angeles (7)

Anaheim (7)

Dallas (7)

San Antonio (7)

New York Islanders (7)

Buffalo (7)

Columbus (7)

Chicago Blackhawks (7)

St. Louis (7)

Minnesota (7)

Winnipeg (7)

Quebec (7)

Ottawa (7)

Carolina (7)

Florida (7)

Tampa Bay (7)

Atlanta (7)

Nashville (7)

